Herald Tribune

INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper ** Paris, Friday, January 3, 1997 No. 35,409

TODAY: LEISURE

A Mystery for 1997: Is Dollar on a Roll?

U.S. Exporters Feel the Pinch

By Jonathan Fuerbringer
New York Times Service

NEW YORK — The dollar's rally last year against its two main rivals — the yen and the Deutsche mark — pushed the U.S. currency up far enough that American executives have begun to worry again about its impact on competitiveness, sales and profits.

The dollar was bolstered in 1996 by lower interest rates in Europe and Japan and better economic performance in the United States than abroad, both of which attracted foreign capital.

The outlook for this year is mixed. But even forecasters who see the dollar treading water this year say factors already in place could well move it higher toward the end of the century.

That raises a question: Are U.S. companies ready to deal with a stronger dollar?

Van Bussmann, chief economist at Chrysler Corp., said U.S. automakers had become quicker on their feet, a change seen throughout the country as U.S. companies improved their competitiveness over the past decade.

But Mr. Bussmann said he was not sure Americans were as nimble as the Japanese, who have made an art of surviving a strong yen by cutting costs and holding back price increases. "Maybe on average we cannot change as rapidly as the Japanese," he said, adding that most U.S. companies could not match Toyota Motor Corp.'s recent cost-cutting turnaround with its Camry model.

He expressed concern that a weak yen would augment Japan's cost-cutting advantage, adding to profits from sales in the United States and making it even easier for Japanese carmakers to avoid raising prices.

Jerry Jasinowski, president of the National Association of Manufacturers, is also worried that U.S. companies might have trouble with a stronger dollar.

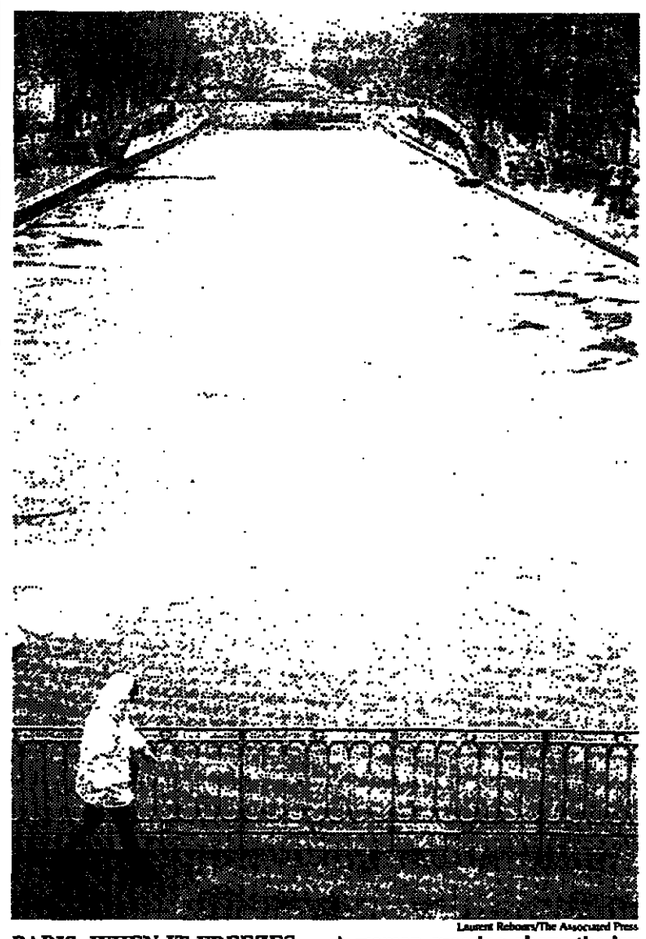
"I think that despite the revolutionary changes American manufacturers have made to put them in a low-cost position, they are not adequately prepared to deal with a yen of 115 and higher," he said.

The dollar ended 1996 at 116 yen, a rise of 12 percent on the year, and some forecasts for 1997 call for it to continue to rise.

Mr. Jasinowski said he was less concerned about the dollar's rate against the mark — the U.S. currency finished the year up 7.3 percent against it, at 1.5415 DM — but he said a further strengthening would pressure U.S. companies.

President Bill Clinton and other U.S. officials should pay close attention to exchange rates, Mr. Jasinowski said, as "both Japan and Europe are looking to export their problems to the United States by ma-

See DOLLAR, Page 12



Laurent Rebours/The Associated Press

PARIS, WHEN IT FREEZES — A woman crossing above the icy Canal de l'Ourcq on Thursday as the temperature dropped to minus 10 degrees Centigrade (14 degrees Fahrenheit) in the French capital.

Serbian Bishops Assail Milosevic

Church Calls on Government To Respect Election Results

By Michael Dobbs
Washington Post Service

BELGRADE — The long-docile Serbian Orthodox Church on Thursday issued its strongest attack ever on the regime here, accusing it of "crushing the will of the people" and fomenting civil strife to remain in power.

The statement was issued by the leading bishops of the church following an emergency meeting of the Holy Synod in Belgrade. It coincided with the resumption, following a one-day New Year break, of opposition protests against President Slobodan Milosevic for election fraud.

The church statement called on the government to "respect the results" of local elections held Nov. 17, and added, "This is the only way of restoring our people's faith in a peaceful and better future."

An international fact-finding mission led by Felipe Gonzalez, the former prime minister of Spain, concluded last week that the opposition had been unjustly deprived of victories in Belgrade and 13 other Serbian towns.

The stinging rebuke by the Orthodox bishops contrasted with a generally passive and even approving stance by the church toward the Milosevic government in the past, and with the church's failure to condemn the three-and-a-half-year war in Bosnia-Herzegovina. While its immediate political impact is unlikely to be very great, it comes as a morale-booster for the opposition, which is looking for ways of maintaining the momentum of its protests.

The number of people on the streets has declined over the past week, partly due to the bitter cold and partly because of an intimidating police presence. For a time, it seemed as if the opposition might have trouble keeping the demonstrations going beyond New Year.

The crowd Thursday, however, was quite respectable: 10,000 to 15,000 protesters gathered in the central Square of the Republic to hear opposition leaders promise that 1997 would be a "turning point" for Yugoslavia. On Wednesday, there were no opposition protests, but thousands of students marched on Belgrade television to denounce its virtual blackout on news of the protests.

In their statement, the church leaders said that the government's failure to resolve the six-week political crisis made it necessary for them to speak out. They accused the regime of "impoverishing" the nation and "betraying" the centuries-old Serbian population of the Krajina region of Croatia, who fled their homes last year following a successful Croatian military offensive.

Mr. Milosevic gave both military and political support to the Krajina Serbs when they rebelled against Croatian authority in 1991 and established their own autonomous government.

But he did not lift a finger to help them last year when it became clear that the Croatian Army possessed the ability to retake the region by force.

The church, by contrast, has given tacit support to the political aims of both the Krajina and the Bosnian Serbs.

The bishops accused Mr. Milosevic of "strangling political and religious freedoms" and "falsifying people's votes." Their statement added, "He has already placed us against the whole world, and now he wants to set us against each other and trigger bloodshed just to preserve power."

The state-controlled media mentioned neither the church statement nor the continuing demonstrations.

Over the past few weeks, there have been rumblings of discontent at Mr. Mi-

See BELGRADE, Page 10

In Hungary, Officers Are Learning the NATO Way

By Jane Perlez
New York Times Service

TATA, Hungary — In the last few years, Colonel Tibor Nagy has been systematically unlearning everything he was taught as an officer in the Hungarian Army.

Now the colonel is cultivating in his junior officers and platoon leaders a quality that was largely unknown in the Soviet-led Warsaw Pact: the confidence to improvise on the battlefield, delegate authority and take individual responsibility for decisions.

Leadership, Colonel Nagy has concluded, is more than just barking orders.

Hungary and its neighbors in Central Europe are eager to take advantage of NATO's decision to expand. But officials of the North Atlantic Treaty Organization say that these countries' Communist-era mentality, not the lack of expensive Western hardware, is the greatest impediment to joining the alliance.

"To change the cultural attitude of the military leaders is the most difficult challenge in these countries," a NATO military attaché said. "In the old Warsaw Pact, everything was fed from the top down. In the West, a company commander can make a decision; it's decision-making as low as you can."

Two years ago, Colonel Nagy traveled to the U.S. Army War College at Carlisle Barracks, Pennsylvania, for indoctrination in the NATO principles of command. He debated the pluses and minuses of his new military heroes — Churchill, Eisenhower and MacArthur. He also returned with some startling new views on how to lead.

"Before I went to the United States, I didn't like to talk much," he said. "I was a tank commander. I gave orders and that was that."

To work inside NATO, which has 16 members ranging from the United States to Spain and Turkey, the newcomers do not immediately need the latest fighter jets, but they must be "inter-operable" with the alliance, several military attachés from NATO countries said. They must know how to set up squads, platoons and brigades; how to deploy; how to issue instructions, and how to set up a defense the NATO way.

In exercises with the Partnership for Peace program, in which countries from the former Soviet bloc exercise with NATO countries, the three leading contenders for membership in NATO have started to learn some of these techniques.

The Czechs, the Poles and the Hungarians have also been operating alongside American and British soldiers in Bosnia-Herzegovina.

There, an American officer said, the three countries have shown that they have "good base armies with intelligent recruits" but that they have plenty of problems with language barriers and incompatibility of communications equipment.

So far, the Hungarian military has received high marks, the NATO attaché said, for sending young and adaptable officers for basic re-education in Western military schools.

This has started to pay off, officials agreed, in the lineup at the top of the Hungarian military. A year ago, the top officers were exclusively Soviet-trained; today, seven of the top 10 officers, in-

See NATO, Page 10

As China Takes Off, Millions Feel Left Behind

By Steven Mufson
Washington Post Service

BEIJING — In broad strokes, the Chinese character for "demolish" is painted in white on the side of the house where a retired rubber-factory worker, Tao Dechun, has lived for 40 years beside central Beijing's picturesque and tranquil Houhai Lake.

Soon men with sledgehammers will tear apart Mr. Tao's modest courtyard house, ripping down its graceful sloping tile roof and understated gray bricks. Mr. Tao and his family will have to pack up their pet songbirds, beds, bicycles and the other flotsam and jetsam of a humble life. They will cart off the belongings — along with their more recently acquired television, space heater and compact-disk player — to Beijing's distant, less convenient suburbs.

The Tao family is being forced to make way for richer people in the new China. The Three Seas real-estate company, a unit of the municipal government, is demolishing old Houhai houses and evicting residents to build $3 million to $8 million luxury homes that will be sold to foreign executives as well as Chinese who

Last of a series

have struck gold during the economic changes of the past two decades.

"The government doesn't care about the ordinary people anymore," said Mr. Tao, 61, who receives a pension of $50 a month. His new apartment will be more spacious but far from the lake, the old neighborhood and friends; his rent will rise tenfold; his children will face long commutes, and his grandchildren will transfer to inferior schools. Mr. Tao's fate points to a wider issue: As China and other developing nations join the global economy and make great strides in reducing poverty, new tensions are building.

Hundreds of millions of Chinese like Mr. Tao are better off than they were 20 years ago, but many of them remain dissatisfied, buffeted by modernization, jealous of others' greater fortune, worried about rising crime and fearful that they will tumble back into poverty.

Above all, development has created a conspicuous divide between rich and poor in some countries, including China, and worsened it in others. That income gap separates people in China and around the world as sharply as any border or ideology ever has.

The growth in inequality is inextricably linked to the

See CHINA, Page 4

GM Bets $2 Billion on Becoming China's Henry Ford

By Sandra Sugawara
Washington Post Service

BEIJING — "As soon as a man makes some money," said Yong Ho, a young hotel employee in Beijing, "the first thing he thinks about is buying a good car."

General Motors Corp. knows that these days China is a country with seemingly endless numbers of people "making some money." As incomes rise and affluence begins to take hold, GM is poised to launch a daring $2 billion investment program aimed at drawing in millions of Chinese like Yong Ho, who is 27, when they start shopping for their first cars.

Last year, GM beat out Ford Motor Co. in a competition to team with a Chinese company to build medium-sized sedans here in facilities as modern as those in the United States or Japan. Now GM is in final negotiations on terms of that deal, which calls for it to start making cars in Shanghai in 1998. The company says it is confident a full accord will be reached.

"In 20 years, the automobile market in China will be larger than the market in the U.S.," predicted Rudolph Schlais Jr., president of GM's China operations.

It seems an outlandish claim. But as China's economy grows year after year, practically every major car company is thinking back to the way Henry Ford got rich: selling cars to the masses of a newly industrializing country, the United States in the early 20th century.

GM, however, is coming to the game relatively late; many of its competitors have been setting up car plants and building cars in China for years.

Aware of their enthusiasm, the Chinese government is playing the car giants off against one another, leading to a competition over who can inject the most money, newest technology and most sophisticated management skills into China's own dilapidated car industry.

Not a few fortunes have been lost over the years through plans to mass-market goods to China's citizens, who now number about 1.2 billion, and already criticism is arising in the industry that GM has given

See GM, Page 4

Peace Process Survives The Shooting in Hebron

By Barton Gellman
Washington Post Service

JERUSALEM — What Noam Friedman seemed to want, when he turned his assault rifle on a crowded Hebron marketplace, was a catalytic act — a deed with repercussions enough to touch off the city's communal rage and halt talks over its future.

By the end of the day it was clear he had not come close. The reasons for his failure, from his own point of view, tell an encouraging story about the resilience of Israeli-Palestinian peace.

Mr. Friedman, an Orthodox Jewish army conscript, appeared to model his attempted massacre on that of another messianic Jew less than three years before.

Baruch Goldstein, who slaughtered 29 Muslim worshipers at prayer at Hebron's Tomb of the Patriarchs, touched off days of widespread violence that set back nascent peace talks for many months.

One difference was Mr. Friedman's poor marksmanship. Although he walked to within point-blank range of Arab produce carts and their customers, he sat awkwardly to fire his M-16 and held it by its pistol grip with both hands — a posture he certainly did not learn in basic training. He managed to kill no one.

On Thursday it emerged that even the six of the seven wounded Palestinians

NEWS ANALYSIS

were struck by ricochets and not by direct hits.

Bad aim or good, Mr. Friedman would surely have done more damage had it not been for a young Israeli platoon commander who saw what was happening and stopped it.

Caught on videotape soon broadcast around the world, which helped quash Palestinian rumors of an organized army massacre, Lieutenant Avi Buskila tackled Mr. Friedman and disarmed him before the gunman quite finished emptying his rifle's first clip.

Prime Minister Benjamin Netanyahu honored Lieutenant Buskila as a hero in a Tel Aviv ceremony Thursday. Politically, that was an easy call for the Likud party standard bearer.

What was harder for Mr. Netanyahu, but crucial to neutralizing Wednesday's threat, was his quiet alliance with the Palestinian security chief, Jibril Rajoub. A former Palestinian guerrilla com-

See HEBRON, Page 10

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Rials
Egypt	E£ 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

AGENDA

Voters Support Singapore's Leaders

Winning all but 2 of the 83 seats in parliamentary elections, Singapore's governing party extended its 38-year hold on power Friday.

Officials of the People's Action Party, headed by Prime Minister Goh Chok Tong, said the victory in the election Thursday would enable the government to continue its brand of strong, decisive rule that had made the island-state a prosperous international trading and financial hub.

"This is a watershed election," Mr. Goh said at a news conference.

"I am satisfied with the result," the prime minister added. "The people have shown clearly that they support what we have done in the last five years." (Page 4)

Dow Jones	Trib Index
Down 5.78	Down 0.28%
6442.49	147.99

The Dollar

New York	Thurs. close	previous close
DM	1.5435	1.556
Pound	1.6938	1.6905
Yen	115.65	116.145
FF	5.204	5.2415

Reuters

RETIRING — Miguel Indurain of Spain, five-time winner of the Tour de France, said Thursday he would stop racing. Page 19.

Books ..... Page 7.
Crossword ..... Page 5.
Opinion ..... Pages 6-7.
Sports ..... Pages 18-19.

PAGE TWO
The Story of Hitler's Front-Line Jews

THE AMERICAS Page 3.
Doubt on Nerve Gas Tie to Gulf War

ASIA/PACIFIC Page 4.
Burma Won't Ease Dissident's Reins

EUROPE Page 5.
Last Russian Troops Quit Chechnya

The Associated Press

The beleaguered Newt Gingrich.

Twist in Gingrich Case

The ethics case of Newt Gingrich, the House speaker, took another twist Thursday as Republicans said there was a deal for him to receive a less-severe punishment that would allow him to remain in his post and Democratic officials denied that such an arrangement existed. (Page 3)

Holocaust History / **Serving the Third Reich**

Hitler's Front-Line Jews

By William D. Montalbano
Los Angeles Times

LONDON — Sustained by scholarship, peanut butter and a sense of mission, Bryan Rigg is exploring an eerie and uncharted no man's land of Holocaust history. He interviews former German soldiers of Jewish heritage, some of them high-ranking officers, who fought for Hitler's Third Reich.

"Thousands of men of Jewish descent and hundreds of what the Nazis called 'full Jews' served in the military with Hitler's knowledge," Mr. Rigg said. "The Nazis allowed these men to serve but at the same time exterminated their families."

On a journey of personal and professional discovery, the 25-year-old Texan has talked with more than 300 of these veterans. Passed along from one old soldier to another, he has crisscrossed Germany over four years, often by bicycle, sometimes sleeping in railroad stations to stretch his budget.

Mr. Rigg, who has not yet published his findings, says he has documented the Jewish ancestry of more than 1,200 of Hitler's soldiers, including two field marshals and 10 generals, "men commanding up to 100,000 troops." In about 20 cases, soldiers of Jewish heritage were awarded the Knight's Cross, Germany's highest military honor, he said.

This fall, Mr. Rigg, Yale '96, arrived at Cambridge University to begin a graduate degree in history. Jonathan Steinberg, a Cambridge historian, read Mr. Rigg's files and hurried to find a safe place for them.

"When I saw Bryan's archive, I couldn't believe it," Mr. Steinberg said. "He's like the sorcerer's apprentice, calling these sources up from the depths. People keep coming and coming to him."

He added: "I guess what we are dealing with psychologically is people who have felt guilty all these years. A classic all-American boy comes along, and they open up to him."

Mr. Rigg, who is of German extraction and was raised as a Protestant, has discovered along the way that he, too, has Jewish ancestry. Like many of the families he has visited, he had distant relatives who were killed for being Jewish — and others who died fighting in battle for Nazi Germany.

Mr. Rigg has focused his research on the so-called "Mischlinge" — Germans who were classified as Jewish by the Nazis because of their parentage and who faced proscriptions under Nazi racial laws, even though most did not consider themselves Jews.

It is an ugly word, Mr. Rigg says — for the Nazis, it stood for "mongrels, hybrids, bastards." They fit neither in Hitler's Aryan Germany nor in the large community of observant German Jews he targeted for annihilation.

Many of the men Mr. Rigg has met cling to Nazi terminology, describing themselves as half-Jewish, half-German. Sometimes they weep as they reminisce, these Germans now in their 70s and 80s, many of whom killed on the battlefield for a monstrous regime while their families were being killed by it.

"In many cases, these men have not talked about it for 50 years," Mr. Rigg said. "When I come, it is as if they have opened up a coffin they thought they buried so long ago. It all comes out."

One of his discoveries was a 1944 German Army personnel document listing 77 high-ranking officers "of mixed Jewish race or married to a Jew." Two generals, eight lieutenant generals, five major generals and 23 colonels are on the list.

Hitler personally signed declarations for all 77 asserting that they were of German blood, exercising his right of exception under 1935 Nazi legislation that barred anyone with a Jewish grandparent from becoming an officer.

"What's fascinating is how involved Hitler was in the screening process," Mr. Rigg said. "At the height of the war, he was personally deciding whether this private or that should be of German blood. A private!"

He said there were at least a dozen exception lists approved by Hitler — naming ranking officials not only in the armed forces but in the civilian administration that worked with the military. One German civilian of Jewish heritage was in charge of key factories in the tank-making industry, he said.

World War II historians have written the story of these men in passing, but Mr. Rigg's research is yielding new breadth and depth — and chilling detail: a German officer in uniform visiting his Jewish father in the Sachsenhausen concentration camp in 1942; mothers begging Nazi officials to accept that the real fathers of their sons were Christian lovers, not their Jewish-classified husbands.

Initial reports of Mr. Rigg's findings, published in London, have triggered spirited debate among historians. There has been applause for the young American's dogged quest, but also sharp criticism.

David Cesarani, professor of Modern European Jewish history at Southampton University, said that, beyond the volume of the research and the intimate details of particular cases, there was little new in Mr. Rigg's work. And it is fundamentally incorrect, he maintained, to approach the soldiers as Jews.

They "didn't think they were Jewish and wanted to prove they weren't Jewish by fighting for the Fuehrer," Mr. Cesarani said. "They wanted to be regarded as Germans."

Others have been more positive. "When Bryan proposed this project, I told him there were anomalies in all wars, and this one was not worth tracking down," said the Yale historian Henry Ashby Turner. "But he went on with incredible perseverance, drawn by the people and the poignancy of their stories. I never imagined there were that many people, particularly that many officers."

IN recent interviews and research in Germany, Mr. Rigg found still more Wehrmacht officers of Jewish descent, and more than 1,500 pages of documents.

"A lot of times, a man starts telling me about relatives being sent off to Auschwitz and having to eat human flesh to survive on the Russian front, and him being beaten up by military officials because he was a half-Jew," said Mr. Rigg. "And sitting next to him, his wife of 50 years is getting angry, because her husband has never talked about this."

One veteran interviewed by Mr. Rigg was a religious Jew, now 82 and living in northern Germany, who assumed a non-Jewish identity, became an army captain, married a Jewish girl from his hometown and successfully remained a practicing Jew within the German Army for the entire war.

One Knight's Cross recipient was reunited as a prisoner of war in England with his Jewish father, who fled Germany before the fighting began.

Helmut Schmidt, West Germany's chancellor from 1974 to 1982, told Mr. Rigg that he successfully hid the fact that he had a Jewish grandfather from fellow officers in the wartime Luftwaffe, the air force. Mr. Schmidt thought his case was rare. It was not, Mr. Rigg said.

With the innocence of youth, many of the soldiers Mr. Rigg has met believed during the war that their military service, often on the Russian front, was helping to save the lives of Jewish-classified relatives in Germany.

"But I haven't found any documents to support that," he said. "Many guys, while they were fighting, their parents were being deported anyway." The Nazis killed nearly 2,300 relatives of one group of 1,000 soldiers that he has analyzed.

Rabbi Marvin Hier, dean and founder of the Simon Wiesenthal Center in Los Angeles, said that the soldiers' individual stories were well known but that there did not seem to have been a serious scholarly attempt to piece them together into a larger picture. The new research also poses vexing questions.

"If there were Jews who served in the armed forces to save their own lives, that is one thing," Rabbi Hier said. "If there were others who served knowing what was going on and made no attempt to save life, well then that is unacceptable and dishonorable."

The Nazi regime reeked of hypocrisy. Mr. Rigg's new research makes plain. He documents the case of Field Marshal Erhard Milch, deputy to Hermann Goering, the Luftwaffe chief. Long rumored to have been Jewish, Mr. Milch in fact had a Jewish father, which, according to Nazi code, made him unacceptable to serve in the armed forces. But in 1935, Mr. Rigg's research shows, Goering, Hitler's chosen successor, falsified documents to declare Mr. Milch of Aryan descent by asserting that his mother's brother was really his father.

Mr. Rigg has also brought light to folklore surrounding the derring-do rescue by German soldiers of Rebbe Joseph Schneersohn, the leader of ultra-Orthodox Lubavitcher Jews, who was trapped in Warsaw when the war began in 1939.

Rebbe Schneersohn was spirited to safety after an appeal to Germany by the then-neutral United States. Lubavitcher tradition says the rebbe was saved by a German Jew. Mr. Rigg has identified him as Major Ernest Bloch, a bayonet-scarred, bemedaled professional soldier whose father was a Jew.

Major Bloch was eventually promoted to colonel. But he was dismissed in 1944, along with other high-ranking officers of Jewish heritage.

William D. Montalbano/Los Angeles Times

'The Nazis allowed these men to serve but at the same time exterminated their families,' says Bryan Rigg, a young American scholar who has spoken with more than 300 former German soldiers of Jewish heritage, including some senior officers.

Syria Confirms Bomb Ripped Damascus Bus

Israel Is Blamed for Blast Fatal to 9

By John Lancaster
Washington Post Service

CAIRO — Breaking its customary silence on matters of internal security, Syria acknowledged Thursday that 9 people were killed and 44 wounded in a bomb attack on a crowded bus in Damascus on Tuesday. The government blamed Israel for the attack.

In a statement to Syria's official news agency, a government spokesman said the bomb exploded a few minutes after the bus left a Damascus terminal around noon, carrying passengers bound for New Year's Eve celebrations in other cities.

The explosion follows several attacks on Syrians last month in Lebanon, which is occupied by 35,000 Syrian troops, and comes at a time of growing tension between Syria and Israel over the breakdown in Middle East peace negotiations.

Syria's charge of Israeli involvement in the attack marks a further deterioration in the relationship between the two enemies.

"This terrorist, cowardly and criminal action comes within the framework of threats that were launched recently by Israeli officials that aim at killing the peace process," the spokesman was quoted as having said.

Agents of the Israeli intelligence agency Mossad "planted an explosive device inside the bus that exploded minutes after it left the bus station at noon," the official said.

David Bar-Ilan, the top aide to Prime Minister Benjamin Netanyahu of Israel, called the Syrian allegations "sheer nonsense," The Associated Press reported from Israel.

Syria's government, led by President Hafez Assad, normally does not comment on reports of internal unrest. It appears to have broken its silence only after reports of the explosion began to filter out through international news agencies.

Earlier in the day, a businessman based in Beirut who had just arrived in Nicosia, Cyprus, from Damascus told the Reuters news agency that the blast occurred as the bus left for the northern city of Aleppo.

Diplomats based in Damascus confirmed that an explosion had taken place. One told Reuters that the police had closed off the area around the blast and that surrounding streets had been choked with traffic trying to flee the area. The bus station was reported to be situated in a busy district near the main highway that links Damascus to Beirut and other major cities.

There have been several recent attacks on Syrians in neighboring Lebanon.

Last month, gunmen opened fire on a Syrian-registered minibus near Tabarja, about 25 kilometers (15 miles) north of Beirut, killing the driver, a Syrian, and injuring a passenger, according to reports in the Arabic press. In a second incident that day, a device detonated near a Syrian intelligence post in the northern Lebanese city of Tripoli. Two officers were reportedly wounded.

A Syrian military spokesman said, however, that the blast was an accident that occurred when a detonator was inadvertently burned with a pile of trash.

Syria dominates Lebanon's government, which responded to the minibus attack by rounding up scores of Christian Lebanese opposed to the Syrian presence in their country. Lebanon's prosecutor-general, Adnan Addoum, said at the time, "Israel's hand is not far from what is taking place." Lebanon has been governed by Muslims and Christians in a fragile arrangement that ended the civil war in 1990.

Syria's vice president, Abdel Halim Khaddam, also has hinted at an Israeli role in the anti-Syrian violence in Lebanon. "How can we support an opposition against the country's security and stability, an opposition that extends its hand to Israel?" he asked the Beirut daily newspaper As Safir in an interview published Tuesday.

The claim Thursday, however, appears to mark the first time in recent memory that Syria had accused Israel of involvement in attacks inside Syria.

Libya Executes 8 It Accused of Spying for CIA

Compiled by Our Staff From Dispatches

CAIRO — Libya executed six military officers and two civilians Thursday, a day after announcing that they had been found guilty of spying for foreign governments, Egypt's Middle East News Agency reported.

The executions came a day after state-run Libyan television reported the convictions by the High Military Court and implied that the men were working for the U.S. Central Intelligence Agency.

The state-run radio reported that the six officers were executed by a firing squad while the two civilians were hanged.

The radio, monitored in Tunis, said the men had been convicted of belonging to "a banned organization linked to agents of foreign governments" and of passing defense secrets to foreign states.

It did not name the governments but said the convicted men used equipment supplied by the CIA and implied they were spying for the United States.

In Washington, U.S. officials dismissed the trial as a propaganda ploy.

"This is not a new case and the proceedings have a show-trial flavor," one official said. "They look like a propaganda ploy for internal consumption."

Officials of the CIA declined to comment on the case.

A diplomat based in Tripoli said: "The report is the first public admission of opposition within the military to the rule of Colonel Moammar Gaddafi."

State-run television on Wednesday night broadcast footage of the trial room in an unidentified place.

The television report showed a prosecutor saying to the men: "Have you forgotten or are you just playing down what those who recruited you as spies have done to us? They killed our children, tore our bodies apart, raided our families as they were sleeping late in the night."

He was apparently referring to the U.S. bombing of Tripoli and Benghazi on April 15, 1986.

Ten days earlier a bomb had exploded in a West Berlin disco, killing an American soldier and a Turkish woman.

The United States accused Libya of instigating that incident and of other attacks against American targets in the Middle East and Europe.

Six other officers and two civilians were acquitted by the court, showing that the "revolution is able to be clement when there is lack of evidence," the radio said. *(AP, Reuters)*

Toll Passes 150 as Europe's Freeze Blocks Canals and Fire Hoses

The Associated Press

PARIS — A cold snap that froze Europe through the holidays persisted Thursday, turning highways into death traps, blocking canals, claiming more victims and freezing firefighters' hoses.

It was the 10th day of subfreezing temperatures that have been blamed for the deaths of more than 150 people from Spain to Russia, many of them homeless or elderly. Firefighters in Sulzbach in Germany's southwestern state of Saarland were hampered by hoses clogged by ice as they battled a house blaze that killed seven people.

A wide part of northern Germany saw its coldest night of the winter, with several record low temperatures. The lowest was minus 26.3 Centigrade (minus 15 Fahrenheit) in Gardelegen. Cold-related deaths in Germany totaled at least 20.

Ice was building in the channel between the North and Baltic seas, closing Schleswig and several smaller harbors. The river Elbe has been closed to inland navigation almost to the Czech border since Monday. Snowy runways delayed flights for as long as half an hour at Frankfurt's international airport.

Eastern Europe was plunged into the deepest and deadliest freeze. In Poland, about 30 people have frozen to death — most of them homeless or elderly poor people without proper heating.

Temperatures there warmed slightly Thursday, to minus 20 Centigrade (minus 4 Fahrenheit), although one town reported a record low of minus 37 Centigrade (minus 34 Fahrenheit).

Austria, where four people have died from the cold, reported two more deaths. Among them was a 95-year-old woman who broke her hip and lay in an unheated room until a milkman found her the next day.

Bodies of two elderly sisters in Liege, Belgium, were found in the entryway to their apartment where they apparently fell and froze to death.

In Britain, the toll rose to at least 10 when a 17-year-old boy died from hypothermia after collapsing in the snow on his way back from a New Year's party in Rochford, Essex.

Another person died after reportedly falling off a new mountain bicycle and plunging into a frozen pond near Wakefield in West Yorkshire.

In France, the death toll reached at least 13 as two men froze to death and a 93-year-old man died in a hospital in Chalon-sur-Saone after he was discovered in his unheated home by a town employee who had brought him a Christmas present, French media reported. The mayor of Longjumeau, south of Paris, issued a decree requiring the homeless to accept emergency housing. French radio reported. Several people were reported to have died in France after refusing shelter.

An unidentified motorist was killed and 16 people were injured, four seriously, in one of a dozen crashes on icy highways in the Alps of southeastern France, authorities said.

It was minus 10 degrees centigrade (14 degrees Fahrenheit) in the French capital Thursday, with no end to the cold wave in sight.

Freighter traffic was halted in much of eastern France after canals were sealed with as much as 10 centimeters (4 inches) of ice. High-speed trains between Paris and Marseille were delayed as much as an hour by ice on the tracks. In Strasbourg, frigid weather prompted officials to stop ringing the bronze bells in the main cathedral for fear that they would shatter. The celebrated Zehnerglock, built in 1786 with a nine-ton bell forged in 1427, went silent as a result.

In Belgrade, 30 people were hospitalized with serious injuries suffered in falls on ice-slicked pavement, the state-run Tanjug news agency said. Doctors urged people to stay home.

In Portugal, dozens of tourists who had spent New Year's Eve in the central Serra da Estrela mountains were trapped in their hotels by an unusually heavy snowfall.

The storm cut off the towns of Penhas de Saude and Carqueijas, about 300 kilometers (180 miles) northeast of Lisbon, where snowfall hit a record of five meters (16.4 feet).

Heavy snow in the Italian Alps prompted authorities to issue avalanche warnings. An alpine guide was killed in a snowslide at Passo Rolle.

In the Netherlands, ice on the canals was thick enough to support a skating race that has not been held since 1986. About 16,000 skaters will take to the ice Saturday in the Eleven Towns Tour, which begins and ends in Leeuwarden.

TRAVEL UPDATE

Floods in U.S. Force Evacuation

GUERNEVILLE, California — Rain and melting snow pushed rivers out of their banks across the northwestern United States on Thursday, forcing hundreds of people from their homes. But for the first time in more than a week of storms that have caused at least 14 deaths in Oregon and Washington and millions of dollars of damage in five states, forecasters said drier weather was on the way.

More than 40 counties in Washington, Oregon, California, Idaho and Nevada have been declared disaster areas because of flooding, rain and snow. In Napa, the heart of California's wine country, the Napa River rose to four feet (1.5 meters) above flood level Wednesday, but only minor damage was reported.

Near Guerneville, about 70 miles (110 kilometers) north of San Francisco, the muddy Russian River rose Wednesday to nearly 45 feet, 13 feet above flood stage. Up to 7 inches (18 centimeters) of rain in Reno, Nevada, caused the worst flooding in the city in more than 40 years.

Farther north, record warmth swelled rivers and caused mudslides in Washington and Oregon. *(AP)*

China on Thursday hailed the end of a second whole year without an aviation disaster. In 1994, the International Airline Passenger Association cited China as one of the most dangerous places in the world in which to fly after a string of crashes and hijackings. *(Reuters)*

Blocked by scaffolding and sectarian squabbles for decades, the newly restored dome above the traditional site of Jesus' tomb was unveiled Thursday in Jerusalem's Church of the Holy Sepulchre, illuminating the interior of the 900-year-old church and the marble tomb below. *(AP)*

Tourism to Israel fell about 7.2 percent in 1996, apparently as a result of stalled peace talks and deadly violence in the Jewish state, according to figures released Thursday. *(AP)*

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Life and Academic Experience Through Convenient Home Study
(808) 597-1909 EXT. 23
FAX: (310) 471-6456
HTTP://WWW.PWU.COM
Fax or send detailed resume for FREE EVALUATION
Pacific Western University
1210 Auahi Street, Dept. 23
Honolulu, HI 96814-4922

Education Directory
Appears every Tuesday.
To advertise contact
Christelle Forestier
Tel.: + 33 1 41 43 94 76
Fax: + 33 1 41 43 93 70
or your nearest IHT office
or representative.

find information on over 100 of the world's leading ski resorts online
SKI IN
Planning your ski trip?
Internet - http://skiin.com Minitel 3615 connect • skiin

WEATHER

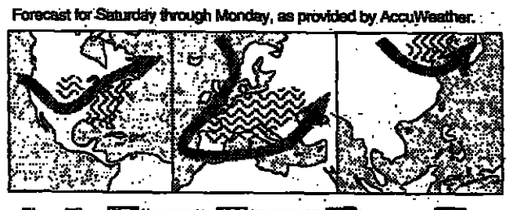
Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Algarve	11/52	7/44 pc	11/52	7/44 r
Amsterdam	-4/25	-8/22 c	-1/31	-4/25 c
Ankara	5/41	0/32 c	4/39	1/34 sh
Athens	16/61	13/55 c	21/70	13/55 s
Barcelona	10/50	4/39 r	8/46	1/34 pc
Belgrade	6/43	5/41 r	11/52	3/37 sh
Berlin	-6/22	-10/15 c	-3/27	-7/20 sl
Brussels	-2/29	-3/29 c	1/34	-3/27 c
Budapest	-1/31	-2/29 i	2/35	-3/29 r
Copenhagen	-2/29	-4/25 s	1/34	-3/27 s
Costa Del Sol	19/53	4/39 pc	11/52	8/46 r
Dublin	1/34	-2/29 c	2/35	0/32 c
Edinburgh	1/34	-3/27 c	1/34	-1/31 pc
Florence	12/53	8/46 pc	8/46	3/37 r
Frankfurt	-4/25	-8/18 pc	-6/21	-7/20 sl
Geneva	7/44	3/37 c	6/43	-1/31 sh
Helsinki	-8/22	-9/16 sl	-7/20	-13/9 sn
Istanbul	12/53	8/46 s	13/55	12/53 sh
Las Palmas	19/66	14/57 pc	20/68	14/57 pc
Lisbon	8/46	4/39 pc	8/46	1/34 r
London	0/32	-2/29 c	4/39	1/34 c
Madrid	7/44	0/32 sh	3/37	-4/25 c
Mallorca	9/48	6/43 r	7/44	1/34 pc
Milan	7/44	3/37 sh	4/39	-1/31 r
Moscow	-11/13	-14/7 c	-8/18	-15/5 c
Munich	5/41	-1/31 pc	4/39	-3/27 sh
Nice	13/55	7/44 r	10/50	4/39 r
Oslo	-8/22	-12/11 pc	-1/31	-9/16 pc
Paris	-4/25	-8/22 sn	3/37	-2/29 r
Prague	-4/25	-8/18 sn	-1/31	-7/20 c
Reykjavik	4/39	0/32 c	2/35	0/32 c
Rome	17/62	9/48 c	13/55	3/37 sh
St. Petersburg	-4/25	-12/11 sn	-9/16	-15/5 c
Stockholm	-3/27	-8/18 pc	-4/25	-12/11 sn
Strasbourg	7/44	3/37 c	6/43	-1/31 sh
Tallinn	-2/29	-6/22 sl	-7/20	-12/11 sn
Venice	7/44	3/37 c	6/43	1/34 sh
Vienna	0/32	-1/31 i	4/39	0/32 r
Warsaw	-10/15	-15/5 pc	-4/25	-9/16 c
Zurich	6/43	2/35 c	4/39	-1/31 sh

Middle East

Abu Dhabi	34/75	11/52 s	23/73	9/48 s
Beirut	19/66	11/52 s	19/66	12/53 s
Cairo	21/70	9/48 s	22/71	10/50 s
Damascus	15/59	2/35 s	17/62	4/39 s
Jerusalem	14/57	5/41 s	15/59	6/43 s
Luxor	24/75	5/41 s	26/79	8/43 s
Riyadh	19/66	8/46 pc	19/66	7/44 c

Forecast for Saturday through Monday, as provided by AccuWeather.



Jetstream | Unseasonably Cold | Unseasonably Hot | Heavy Rain | Heavy Snow

North America
Much colder air will invade the northern and central Plains and Rockies this weekend, while the eastern third of the nation will remain unseasonably mild. The West will have a chance to dry out from the recent stormy weather because mainly rain-free weather will prevail through Monday.

Europe
Much of Europe will remain unseasonably cold through Monday with the core of the coldest air over western Russia and northeastern Europe. Northwest Europe, including Amsterdam and London, will moderate toward more seasonable readings, but still below normal through Monday.

Asia
Cold weather will persist across northeast China and both Koreas, including Seoul and Beijing, through Monday. In contrast, much of Japan, including Tokyo, will be unseasonably mild with showers possible Sunday and Monday. It will be typically warm and humid across Southeast Asia with little rainfall.

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Anchorage	-1/30	-2/28 sl	-1/30	-1/30 sn
Atlanta	22/71	11/52 pc	21/70	8/46 c
Boston	8/46	1/34 c	8/46	3/35 pc
Chicago	8/46	4/39 c	7/44	-2/29 sh
Dallas	23/73	13/55 s	20/68	5/41 pc
Denver	14/57	-1/31 pc	4/39	-10/15 pc
Detroit	6/43	3/37 c	6/43	2/35 sh
Honolulu	22/71	21/70 r	27/80	18/64 sh
Houston	28/79	18/66 pc	25/79	13/55 pc
Los Angeles	20/68	10/50 pc	19/66	7/44 pc
Miami	28/79	19/66 s	27/80	19/66 pc
Minneapolis	3/26	-5/23 c	0/32	-9/16 sn
Montreal	1/34	-3/27 sn	3/37	1/34 c
Nassau	28/79	17/62 s	24/75	17/62 pc
New York	12/53	6/43 c	10/50	6/43 c
Orlando	27/80	14/57 pc	28/79	16/61 pc
Phoenix	21/70	12/53 c	20/68	9/48 pc
San Fran.	14/57	8/46 c	11/52	4/39 pc
Seattle	8/46	3/37 sh	6/43	1/34 c
Toronto	7/44	-1/31 r	10/50	0/43 pc
Vancouver	8/43	-3/27 sn	3/37	-5/24 pc
Washington	16/66	7/44 pc	17/62	8/46 c

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
	C/F	C/F	C/F	C/F
Bali	31/88	24/75 sh	31/88	23/73 sh
Bangkok	31/88	19/66 s	30/86	18/64 s
Beijing	-3/27	-8/18 s	-4/25	-11/13 sn
Bombay	29/84	15/61 s	29/82	16/61 s
Calcutta	25/77	11/52 s	24/75	11/52 s
Chiang Mai	32/89	17/62 s	30/86	16/61 s
Colombo	30/86	21/70 pc	29/84	21/70 pc
Hanoi	23/73	17/62 sn	22/71	16/61 pc
Ho Chi Minh	31/88	20/68 s	31/88	19/66 pc
Hong Kong	21/70	16/61 sh	20/68	15/59 pc
Islamabad	22/71	5/41 pc	21/70	3/37 pc
Jakarta	28/82	23/73 t	29/84	24/75 c
Karachi	29/78	11/52 s	24/75	10/50 s
K. Lumpur	31/88	23/73 pc	29/84	21/70 pc
K. Kinabalu	29/82	21/70 pc	28/79	22/71 pc
Manila	29/84	19/66 pc	29/84	20/68 pc
New Delhi	23/71	6/43 s	25/77	6/43 pc
Phnom Penh	30/86	16/61 s	29/82	21/70 s
Phuket	31/88	19/66 s	30/86	18/64 s
Rangoon	31/88	19/66 s	31/88	19/66 s
Seoul	-0/25	-10/14 s	-1/31	-9/16 s
Shanghai	8/46	0/43 r	8/46	1/34 sh
Singapore	30/86	25/79 pc	27/80	23/73 pc
Taipei	20/68	14/57 sh	22/71	14/57 sh
Tokyo	11/52	1/34 s	9/48	1/34 s
Vientiane	23/71	17/62 sh	22/71	16/61 pc

Africa

Algiers	17/62	4/39 pc	13/55	6/41 pc
Cape Town	24/75	13/55 s	27/80	17/62 s
Casablanca	11/52	6/43 pc	14/57	7/44 s
Harare	29/84	10/50 s	29/84	8/48 s
Lagos	32/89	23/73 pc	31/88	23/73 pc
Nairobi	23/82	12/53 pc	29/84	13/55 pc
Tunis	24/75	9/48 pc	16/61	6/43 s

Latin America

Buenos Aires	31/88	23/73 pc	29/84	18/64 pc
Caracas	29/84	22/71 pc	29/84	22/71 pc
Lima	26/79	19/66 pc	26/79	19/66 pc
Mexico City	19/66	6/43 pc	21/70	7/44 pc
Rio de Janeiro	29/78	22/71 sh	28/82	22/71 pc
Santiago	34/93	10/50 s	31/88	13/55 s

Oceania

Auckland	24/75	14/57 pc	22/71	11/52 pc
Sydney	29/71	14/57 s	22/71	14/57 s

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.

THE AMERICAS

Scientists Dispute Nerve Gas as Cause of Gulf War Syndrome

By David Brown
Washington Post Service

WASHINGTON — The theory that many Gulf War veterans are ill because they were unwittingly exposed to nerve gas more than five years ago contradicts most of what is known about the health effects of chemical weapons.

Such a scenario is unlikely because nerve gases almost always cause immediate symptoms and almost never cause permanent damage to those who survive. There is even less evidence that they cause illnesses that first appear months after contact.

Those are the conclusions suggested by three decades of research on nerve gases, and affirmed by many scientists familiar with the chemical compounds and their effects.

"Based on what we know about low-level exposure to this type of chemical, one would be very hard pressed to make that connection between veterans' illnesses and gas exposure," said John Thomas, president of the American College of Toxicology and a professor at the Health Science Center of the University of Texas at San Antonio.

The current knowledge about chemical weapons does not jibe with widespread assertions by some veterans groups, politicians and commentators that thousands of veterans are chronically ill from exposure to poison gases during the Gulf War.

Almost since the war ended in 1991, reports of a mysterious illness — characterized by mood changes, concentration problems, muscle pains, skin rashes, diarrhea and other complaints, and known popularly as "Gulf War Syndrome" — have circulated among veterans. Some former soldiers, dissatisfied with their diagnoses and medical care, looked for a cause of the symptoms in the environmental hazards encountered in the war against Iraq.

On that long list of hazards were smoke from oil fires, exotic infections, drugs and vaccines, depleted uranium used in projectiles and chemical weapons. Although the Pentagon studied each, for years military officials said that chemical weapons could not directly explain any illness a veteran might be suffering. That is because Iraq had not used chemical weapons. Except for one soldier who was accidentally exposed, no American troops were exposed to the toxic compounds, military officials said.

Last June, however, the Defense Department amended its story. Investigators announced that thousands of soldiers may have been exposed to small amounts of poison gas when they blew up a munitions dump in Khamisiyah, Iraq, soon after the fighting stopped.

The Khamisiyah revelation fueled many veterans' suspicions that the military was hiding information crucial to their health. That suspicion was bolstered by the Defense Department's acknowledgment, in various forums recently, that it had never thoroughly interviewed soldiers who had reported other possible exposures to poison gas.

Compounds designed as chemical weapons kill people at extremely low doses.

Nerve gas symptoms can resemble some of the initial, relatively minor complaints some veterans have described. A small amount of research hints that the compounds could cause longer-lasting physiological changes. It is possible that other, unexpected effects may be uncovered with further research.

The nerve agents used as chemical weapons — sarin, soman, tabun and VX — are members of a large family of chemicals called "organophosphate cholinesterase inhibitors."

When a person is poisoned with organophosphates, the pupils constrict, muscles twitch, the person salivates, sweats and sometimes wheezes. Often there is nausea, vomiting and involuntary defecation. At higher doses, or with longer exposure, people have convulsions, lapse into unconsciousness, develop profoundly low blood pressure and stop breathing.

Organophosphates are the most commonly used pesticides in the world, with hundreds of tons used every year by everyone from household exterminators to crop dusters. Unlike pesticides, however, the compounds designed as chemical weapons kill people and animals at extremely low doses.

If soldiers encountered nerve agents during the Gulf War, it is probable that a few people would have received doses high enough to kill, or at least make them seriously ill. But that does not seem to have happened.

It is unlikely that six years after the fact medical investigators will ever figure out what caused the symptoms some soldiers reported.

There is, however, one report of a group of people exposed to nerve gas who developed symptoms quite similar to those of Gulf War Syndrome. *These were 129 Germans who* worked in munitions factories and made many kinds of chemical weapons, including sarin and tabun, after the start of World War II.

In 1963, a scientist named U. Spiegelberg reported on his examination of them. The great majority, he wrote, "showed persistently lowered vitality," "headache, gastrointestinal and cardiovascular symptoms" and other problems, including an "impression of premature aging."

Because the workers had all held their jobs at least two years, their poison exposure almost certainly was far greater than any that might have occurred in the Gulf.

Despite those differences, this is the best evidence that the constellation of symptoms some veterans report could conceivably arise from nerve gas.

Deal to Spare Gingrich Is Reported and Denied

Republicans Say a Reprimand Is Favored

By John E. Yang
Washington Post Service

WASHINGTON — The ethics case of the House speaker, Newt Gingrich, took another bizarre twist Thursday as Republican sources said there was a deal for him to receive a less-severe punishment that would allow him to remain as speaker and Democratic officials denied that such an arrangement existed.

According to the sources, who are close to the speaker's team, the four-member House ethics investigative subcommittee, equally divided between Republicans and Democrats, agreed to back a reprimand of Mr. Gingrich in exchange for his admission Dec. 21 that he broke House rules.

The arrangement, essentially a plea-bargain agreement, would virtually eliminate the possibility that the full ethics panel of five Republicans and five Democrats would propose a tougher sanction, such as a censure, that would make him ineligible to serve as speaker.

But the House minority whip, David Bonior, Democrat of Michigan, said that ethics committee members "with an intimate knowledge of this case" assured him that no such deal existed.

Mr. Bonior, the speaker's chief adversary in the House, called reports of the deal "one more desperate attempt by the Republican leadership to shore up the speaker's crumbling credibility."

Last month, Mr. Gingrich acknowledged that he brought discredit to the House by not consulting with a lawyer to ensure that using tax-deductible contributions to finance a college course he taught and a televised town meeting would not violate federal tax law.

He also admitted giving the ethics panel untrue information when it investigated those projects.

Mr. Gingrich said his violations were not intentional. "I accept responsibility for this and I deeply regret it," he said in a statement.

The full ethics committee is to begin considering what punishment to recommend to the House next Wednesday, the day after Mr. Gingrich hopes to become the first Republican to be re-elected as speaker in 68 years.

Under a schedule worked out earlier this week, the House would vote on the sanction no later than Jan. 21.

If the two Democrats on the investigative subcommittee, Representatives Benjamin Cardin of Maryland and Nancy Pelosi of California, back a reprimand in the full committee, it would be virtually impossible for a majority of the panel to support a tougher sanction.

A reprimand, which the ethics committee's rules says is appropriate "for serious violations," entails a House vote criticizing a lawmaker's conduct. A censure, which is second only to expulsion in severity, takes that a step further as the lawmaker is taken to the well of the House and admonished, much as a felon would be in court.

House Republican rules prohibit a censured lawmaker from being a committee chairman or holding a leadership post, such as speaker.

■ Democrat Critical

A former Democratic chairman of the ethics committee said he could not recall members of the panel ever publicly opposing censure for a colleague before deliberating on a punishment, as two Republicans are doing with the speaker, The Associated Press reported.

"I'm unaware of a member of the ethics committee heretofore communicating to the leadership of either party their predisposition to vote a certain way on a sanction," said Representative Julian Dixon, Democrat of California, who was the ethics committee chairman for six years starting in 1989.

"It's my recollection during my tenure that members were exceptionally cautious on making public utterances on issues pending before them," he added.

He led the committee when it charged Jim Wright, then the speaker and a Democrat, with ethical wrongdoing. His former chief counsel, Ralph Lotkin, agreed.

Two ethics committee members now, Porter Goss, Republican of Florida, and *Steve Schiff, Republican of New Mexico*, informed fellow Republicans by letter Tuesday that they would vote to re-elect Mr. Gingrich.

The two men, who are the Republicans most familiar with the investigation of Mr. Gingrich, wrote that they saw nothing in the evidence that would warrant a censure.

The letter was distributed by the *House majority whip*, Tom Delay, who is part of a Republican leadership effort to shore up support for Mr. Gingrich among rank-and-file Republicans.

Meanwhile, Representative Bob Inglis of South Carolina joined a group of at least 13 Republicans who expressed uncertainty about Mr. Gingrich's re-election. One Republican, Representative Michael Forbes of New York, has said he opposes Mr. Gingrich.

Wilfredo Lee/The Associated Press

PARTING CHAT — The first lady, Hillary Rodham Clinton, and her daughter, Chelsea, talking to Cub Scouts at the Beaufort Marine Corps Air Station in South Carolina before leaving for the U.S. Virgin Islands.

Away From Politics

• **The use of sheep tissue** and other animal parts in cattle feed would be banned by federal law because of their links to "mad cow" disease, under a proposal by the U.S. Food and Drug Administration. The U.S. livestock industry announced last year that it was voluntarily banning these "ruminant-derived proteins" — parts from slaughtered sheep, cows and certain other animals — in feed sold to American cattle farmers. *(AP)*

• **License plates that feature the Confederate battle flag** will be recalled in Maryland after drawing fire from black leaders who see the emblem as racist. A spokeswoman for the state Motor Vehicle Administration said the state would offer free replacement plates to the members of the Sons of Confederate Veterans. *(AP)*

• **At least 30 gunshots were fired** into a restaurant in Pittsburgh from a popular tourist lookout as workers cleaned up from a New Year's Eve celebration. A waitress suffered a cut shoulder from flying glass, but no one else at the restaurant was hurt. *(AP)*

• **Consumers should not ingest synthetic designer drugs** with names like "Orange fX Rush" or "Cherry fX Bomb," the U.S. Food and Drug Administration has warned. Such substances violently sickened dozens in a crowd of young partygoers at a New Year's Eve "rave" concert in Los Angeles. *(AP)*

• **Two firebombs were thrown at an abortion clinic** in Tulsa, Oklahoma, causing minor smoke and fire damage. No one was inside the building, which was closed for the New Year's holiday. *(AP)*

• **A 652-foot (200-meter) radio broadcasting tower** in Baraboo, Wisconsin, collapsed under the weight of ice and fell to the ground only four yards from the home of a couple and their two children. No one was injured, but a local radio station was knocked off the air. *(AP)*

Peru's Leader Assails Rebels In Standoff

By Douglas Farah
Washington Post Service

LIMA — President Alberto Fujimori, stung by Marxist guerrillas' publicity coups in the hostage standoff, Thursday branded the takeover of the Japanese ambassador's residence an act of senseless violence and said the attack would not affect Peru's economic future.

In his most extensive public comments since the Dec. 17 takeover of the residence by the Tupac Amaru Revolutionary Movement, Mr. Fujimori defended his government's economic record of moves toward a free market, which has been criticized by the guerrillas.

Also Thursday, the government unexpectedly dismissed several government leaders being held hostage. Among those who lost their jobs while in captivity were the head of national security, the president of the Supreme Court, and the head of the anti-terrorism police.

It is not clear if the moves were an attempt by the government to lessen the leverage Tupac Amaru can exercise by holding them, or whether they were punishment for the breaches in security that led to the hostage-taking.

The guerrillas initially held about 500 hostages, but have since let several groups out, including seven captives on Wednesday, and now hold 74 people.

Mr. Fujimori, who has become increasingly isolated as the siege drags on, made his 15-minute speech at a ceremony swearing in the new Supreme Court president. It came two days after the guerrillas held a press conference inside the besieged ambassadors' residence, a move that is reported to have infuriated Mr. Fujimori.

The president said the "terrorist" attack was an "isolated incident" that would not scare off foreign investors. "That will surely be a disappointment to those who thought they could stop" economic growth and reform, Mr. Fujimori said.

2 Bombs Sent To Saudi Paper

Reuters

WASHINGTON — Two letter bombs were discovered in a batch of mail delivered to Al Hayat, a Saudi Arabian newspaper with offices at the National Press Club in downtown Washington, the police said Thursday.

The first device was discovered by an employee of the newspaper, the police said. Police officers discovered a second bomb as they went through the remainder of the newspaper's mail.

Both bombs were removed from the site and safely detonated, the police said. The Washington police and the FBI Terrorist Task Force were investigating.

Al Hayat, a Saudi newspaper based in London, had published the manifesto of a radical Islamic group after the fatal June 25 bombing of U.S. military personnel in the Saudi city of Khobar.

Lew Ayres, Ex-Film Star, Dies

The Associated Press

LOS ANGELES — Lew Ayres, 88, whose film career covered six decades and weathered the furor of his objection to combat duty in World War II, has died.

Mr. Ayres died at his home Monday. The cause was not revealed.

During his long career, Mr. Ayres played opposite Greta Garbo, starred in the Oscar-winning "All Quiet on the Western Front" and found success portraying Dr. Kildare in the MGM film series.

Shunned by the studios after he became a conscientious objector during World War II, he managed to revive his career and earn an Academy Award nomination for "Johnny Belinda."

Long a student of comparative religion, Mr. Ayres produced "*Altars of the World*," a film on world faiths that won the Golden Globe Award for Best Documentary of 1976.

Michael Bruno, 64, Led Israel's Central Bank

NEW YORK (NYT) — Michael Bruno, 64, a former head of Israel's central bank and a chief economist of the World Bank who was widely regarded as a leading authority on fighting inflation, died in Jerusalem on Dec. 26.

Mr. Bruno is largely remembered as a hands-on development economist.

Israel's assault on inflation was largely won in 1985, with an unusual approach pioneered by Mr. Bruno, one that checked price increases without forcing *Israelis to cope with an extended* period of high unemployment.

Edouard Bled, 97, Writer Of French Grammar Text

PARIS (AP) — Edouard Bled, 88, whose grammar book taught generations the complexities of the French language, died Sunday.

Seventeen million copies of the grammar manual that Mr. Bled wrote with his wife, Odette, have been published since 1947. Known simply as *le Bled*, the 320-page book is still widely used.

For Mr. Bled, grammar was to be drilled into young minds with the rigor and methodology of mathematics. Bad writing, he believed, was an expression of bad thinking.

LIVING IN THE U.S.?
Now printed in New York for same day delivery in key cities.
To subscribe, call
1-800-882 2884
(in New York, call 212-752-3890)
Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

POLITICAL NOTES

Jefferson Might Have Approved

WASHINGTON — "Thomas," the Library of Congress's World Wide Web site of legislative information, is celebrating its second birthday this month. *The site is named* after Thomas Jefferson, third president of the United States and a champion of freedom of information.

From the Thomas page at http://loc.thomas.gov, on-line users can dive into a sea of federal information, including the floor activities of the House and Senate; summaries and full texts of bills; all the laws Congress passed in the current session, and the texts of the Congressional Record, committee reports, and such historical documents as the Declaration of Independence, the Federalist Papers and the Constitution.

But the really voluminous sections of the library's site (http://www.loc.gov) are the work of the National Digital Library, a pet project of the Librarian of Congress, James Billington. Begun in October 1994, the digital endeavor is the library's attempt to, as Mr. Billington put it, "get the champagne out of the bottle" — in other words, to put the library's vast nonbook holdings, such as prints, photographs, maps, audio recordings and films, within reach of the general public.

The National Digital Library "aims to make freely available on the Internet millions of materials from the library's unparalleled collections of American history and culture, as well as those from other institutions," Mr. Billington said.

To pay for all this, Congress has earmarked about $15 million over five years. In addition, Mr. Billington has helped raise $22 million in private funds. The first major gift was a $3 million pledge from the W. K. Kellogg Foundation. Other donors include Bell Atlantic, Eastman Kodak and *David Packard, a founder of Hewlett-Packard.*

Highlights of the site include the Houdini Collection, photos and memorabilia from the illusionist's life; nearly 60 recordings of speeches by such famous Americans as Calvin Coolidge, John D. Rockefeller and Samuel Gompers, and the only known photo of Abraham Lincoln at the site of the Gettysburg address in 1863. *(WP)*

Term-Limits Law Under Fire

PORTLAND, Maine — Opponents filed a challenge Thursday in federal court to a state law that requires candidates to pledge support for a term-limits amendment to the U.S. Constitution.

The measure, approved by Maine voters in November and effective Thursday, requires candidates for Congress, governor and the legislature to make a written pledge or have the phrase "refused to pledge to support term limits" printed next to their names on the ballot.

"This case is not about term limits. It's about the First Amendment," the speaker of the state House of Representatives, Elizabeth Mitchell, said. "If this scarlet letter labeling isn't stopped now, where will it end?"

The lawsuit was filed in U.S. District Court on behalf of the League of Women Voters of Maine. Ms. Mitchell, a Democrat, and state Senator Philip Harriman, a Republican, were named as plaintiffs. They asked the court to strike down the law as unconstitutional.

Similar measures were on the ballot in 13 other states and *passed in Alaska, Arkansas, Colorado, Idaho, Missouri,* Nebraska, Nevada and South Dakota. The Arkansas measure, which was identical to Maine's, has since been struck down by that state's supreme court.

Dane Waters, national field director of U.S. Term Limits, said his Washington-based organization would help fight the challenge. He accused opponents of term limits of trying to overturn the will of the people. "They've found out that at the ballot box they cannot beat us," Mr. Waters said. The Maine measure won 59 percent of the vote.

Supporters of term limits devised the pledge law after the U.S. Supreme Court's 5-4 decision in 1995 that states cannot limit service in Congress without amending the Constitution. That ruling nullified term limits in 23 states. *(AP)*

Quote/Unquote

James Quello, a member of the Federal Communications Commission for 22 years and a defender of television broadcasters in their battles with cable and other media, on why he would not ask President Bill Clinton to nominate him for another term: "I'm going to be 83 in April, and I still have 75 percent of my marbles. I think in show business, it's good to leave when you're still wanted." *(WP)*

In this Saturday's
MONEY
Forms and Formulas
A package for investors to get their acts together in the New Year
Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

ASIA/PACIFIC

Singapore Voters Give Strong Support to Goh

Leader's Party Wins All but 2 of 83 Seats

By Michael Richardson
International Herald Tribune

SINGAPORE — Singapore's governing party extended its 38-year hold on power Friday by winning all but two of the 83 seats in parliamentary elections.

"This is a watershed election," Prime Minister Goh Chok Tong said at a news conference. "I am satisfied with the result. The people have shown clearly that they support what we have done in the last five years."

Mr. Goh said Singapore's voters had shown their support for "good government" and "rejected Western-style liberal democracy."

Officials of the People's Action Party, headed by Mr. Goh, said that the victory in the election Thursday would enable the government to continue its brand of strong, decisive rule that had made the island-state a prosperous international trading and financial hub.

Sidek Saniff, a Malay minister in Mr. Goh's predominantly Chinese cabinet, said the outcome of the general elections amounted to a strong rejection of extremist elements in the opposition and augured well for maintaining multiracial harmony in Singapore.

The divided opposition, which had four of the 81 seats in the outgoing Parliament, retained only two seats in the slightly enlarged legislature.

Analysts said the result was an important victory for Mr. Goh, who took over from Singapore's veteran leader, Lee Kuan Yew, in 1990 and staked his reputation on reducing opposition gains in these elections. Mr. Goh said Wednesday that his position and Singapore's stability could be questioned if his party fared badly in the polls.

Mr. Goh and other government leaders had accused elements of the opposition Workers' Party of supporting pro-Chinese and anti-Christian policies that would threaten the position of minority ethnic groups in Singapore.

The Workers' Party in turn accused the government of creating a red herring to distract voters' attention from opposition attempts to spotlight rising costs and public desire to check autocratic power.

Singapore is 77 percent ethnic Chinese, with significant minorities of Malays and Indians. But the government has insisted on the use of English as a neutral working language to avoid the possibility of any group dominating.

In his determination to defeat the opposition, Mr. Goh also warned voters that precincts that went against the government would be placed last in line for a program to upgrade the high-rise public housing developments in which more than 85 percent of Singaporeans live.

This campaign tactic was criticized both by the opposition and the United States. Mr. Goh had protested angrily that Washington was interfering in Singapore's internal affairs.

Lee Boon Yang, Singapore's labor minister, said Friday that the governing party's strategy of linking its upgrading program to the way people voted was an "important aspect" of the election.

But he denied that, by voting for the government, people had succumbed to threats. He said Singaporeans knew they were voting for a team of capable leaders and an effective program of government.

When the nine-day campaign began, candidates of the governing party were unopposed in 47 of the 83 seats in the new Parliament. The remaining 36 seats were contested Thursday.

Leaders of the five opposition parties said they were not contesting most of the seats because their main aim at this stage was not to form a government but to persuade voters to support a stronger opposition voice in Parliament.

■ An Opposition Chief Loses Seat

Chee Soon Juan, leader of the Singapore Democratic Party, failed to capture a key seat, winning only a third of the vote after a campaign in which government leaders branded him a "proven liar," Reuters reported.

But Chiam See Tong, the former Singapore Democratic Party chief who lost a leadership battle with Mr. Chee, helped prevent a clean sweep by the People's Action Party, scraping by with a reduced majority under the banner of his new Singapore People's Party.

The Worker's Party kept the one seat it had in the old Parliament.

BRIEFLY ASIA

India Halts Trains In Troubled Region

GAUHATI, India — India has suspended nighttime train traffic through the Bodo tribal areas in the northeast where separatist rebels bombed a passenger train this week, killing 38 people.

The decision Thursday by railroad authorities in New Delhi effectively cut off ground transportation to India's seven northeastern states after dark, since all rail traffic passes through the narrow strip between Bangladesh and Bhutan that is dominated by the Bodo tribe.

The bombing Monday was one of the worst of the 10-year-old insurrection by Bodo militants, who are demanding that a separate homeland be carved from the state of Assam. That attack was followed Wednesday by the blowing up of a railroad bridge in the same area, but no one was hurt.

The railroad minister, Ram Vilas Paswan, pledged to send 1,000 members of a special force to guard bridges, culverts and stations. *(AP)*

Israeli Air Force Plans Delhi Office

NEW DELHI — President Ezer Weizman of Israel said Thursday that his country would open an air force liaison office in New Delhi to improve ties with its Indian counterpart, the Press Trust of India reported.

It quoted Mr. Weizman, who was visiting an air base in southern India, as saying that the two countries had many things in common in aviation.

India's first visit by an Israeli head of state triggered worries in neighboring Pakistan, which has refused to establish ties with the Jewish state. A Foreign Ministry spokesman in Islamabad said South Asian countries were concerned by what he called growing cooperation between India and Israel, particularly in the military field. *(Reuters)*

Pakistanis Open Fight on Corruption

ISLAMABAD, Pakistan — In the first major crackdown on corruption since Benazir Bhutto's government was ousted in disgrace, police officers swarmed through two provinces Thursday raiding the homes of wealthy Pakistanis.

Four people were arrested, including Miss Bhutto's father-in-law.

"The crackdown has begun," said Najam Sethi, an adviser to the interim government. "Within one week we expect to arrest 30 to 40 more people."

Hakim Ali Zardari, the father of Miss Bhutto's husband, was arrested early Thursday at his home in southern Karachi. He was charged with income tax evasion and bank fraud, Mr. Sethi said.

"They came in after midnight," said Munawar Talpur, Mr. Zardari's son-in-law. "They didn't have a warrant or anything. They just took him away." Under Pakistani law, the police do not need a warrant to search a home.

Mr. Zardari was jailed a few miles from where his son, Asif, is being held. Asif Ali Zardari has been in jail since his wife's government was dismissed Nov. 5. He is charged with murder in connection with the shooting death of Miss Bhutto's brother and political rival, Murtaza. *(AP)*

Sena Vitanguma/Agence France-Presse

MEDIA ATTACKED — Ishini Wickremesinghe, head of a TV station in Colombo, Sri Lanka, arriving at court Thursday to answer charges under a prevention of terrorism act that a report of an attack on a police station, although correct, had caused "racial hatred."

Suharto Opponent Loses Court Appeal

JAKARTA — The Jakarta High Court has upheld a 34-month jail sentence against a former opposition lawmaker for calling President Suharto a dictator.

Sri Bintang Pamungkas, a former legislator from the Muslim-based United Development Party, said in a statement Thursday that he had received a formal notice rejecting his appeal on Monday.

Mr. Pamungkas, 50, was sentenced in May for defaming Mr. Suharto in lectures to Indonesian students in Berlin in 1995. He was expelled from Parliament last year for being too outspoken and raising questions about government corruption.

In October, he accused Mr. Suharto of corruption and challenged him to win office in general elections. *(AP)*

Burma Says It Won't Lift Restrictions On Dissident

Reuters

RANGOON — A top Burmese official said Thursday that restrictions would remain on the opposition leader Daw Aung San Suu Kyi and that some universities would stay closed following student unrest last month.

A senior intelligence official, Colonel Thein Swe, said the decision requiring Daw Aung San Suu Kyi to inform the government of her movements and visitors aimed to protect her, not cause inconvenience.

"We are concerned for her. We are responsible for her safety," Colonel Thein Swe said after the monthly news briefing by the ruling State Law and Order Restoration Council.

He said he did not know when the restrictions might be lifted, saying only that they would be relaxed when the situation was normalized.

But Daw Aung San Suu Kyi, who was released from six years' house arrest in July 1995, said in a telephone interview Thursday that it was "very silly" to presume the restrictions were imposed for her benefit.

"I don't take them seriously and hope you don't either," she added. "I don't think they are helping me in any way."

Daw Aung San Suu Kyi is obliged to advise officials of her social plans. The officials also make arrangements for her to travel within Rangoon or allow visitors past the blockades on her street.

Meanwhile, Deputy Education Minister Than Nyunt said some of the universities that were shut in early December, several weeks before regular holidays, would reopen Monday.

But the schools at the center of the recent unrest would remain closed for the time being, he said. About 50,000 students across the country would be affected by the closures.

In early December, the government placed restrictions on Daw Aung San Suu Kyi following a wave of student protests against the military regime. Rangoon has accused the opposition leader's National League for Democracy Party of politicizing the demonstrations.

CHINA: *Millions Feel Left Behind as Boom Brings New Riches*

Continued from Page 1

new model of economic growth in the developing world, driven by huge increases in trade and private foreign investment. As developing countries have adopted free-market policies, privatized state industries and opened their borders, private investors have poured $420 billion into their economies since 1988. But as international trade and investment leap over national boundaries, it has become easier, too, for the problems of inequality and poverty to cross borders.

Around the globe, the incomes of the richest 20 percent of the world's population grew three times as quickly as the incomes of the poorest 20 percent from 1960 to 1990.

As a result, the share in global income of the poorest 20 percent of the population has fallen to 1.4 percent from 2.3 percent, according to the UN Development Program. The richest 20 percent of the Earth now earn 85 percent of the money, compared with 70 percent three decades ago.

For governments of countries that have made great economic progress, that has made managing development as tough a challenge as presiding over deprivation — particularly in China, where the Communist Party has placed a high priority on both economic equality and growth.

China's success in raising living standards over the past 20 years is by far the most compelling case of how free markets and free trade can work miracles where other development policies have failed. Since Deng Xiaoping took power in 1978 and threw open China's doors, a gust of foreign investment and technology has helped the world's most populous nation move into the modern age. By the end of 1995, there were 234,000 foreign-financed enterprises registered in China.

China is second only to the United States in its ability to draw direct foreign investment, and foreign-financed companies continue to increase their contributions to China's overall foreign trade; their share at the end of 1995 was 39.1 percent.

"International trade has stimulated competition and promoted skill development at a tremendous pace in this country," said Pieter Bottelier, chief representative of the World Bank in Beijing.

As a result, tens of millions of people have climbed out of poverty, new cities have sprung up from rice paddies, wasteland has been turned into orchards, old industries have improved their equipment and technology. The national economic output has quadrupled since 1980, and the average person lives better, eats better and consumes more of everything from toasters to telephones to toys. According to government figures, the number of people living on less than 60 cents a day declined from 270 million in 1978 to 65 million last year.

The boom has created opportunities.

Wu Mingtao, 23, is a painter at a construction site in eastern Beijing. He lives in a makeshift room with more than 40 other workers and can roll his belongings into a small sack, but he earns $170 a month and sends virtually all of it back to his parents in Jiangsu Province, who have built a two-story house in the countryside.

"I don't think of myself as poor," said Mr. Wu, who plans to return to Jiangsu after three more years with Beijing construction gangs.

But even more evident has been the growth of a new class of wealth. One symbol is the recently opened China Club, in what had been Mr. Deng's favorite Sichuan-style restaurant. The price of membership: as high as $20,000 a person. Despite the cost, more than 100 Chinese joined before it opened.

"There's nothing wrong with elitism," said David Tang, the Hong Kong resident who planned the club. "Without elitism there would be no progress," he said in his Oxford accent as he stood puffing a cigar and greeting guests in his traditional Chinese silk suit.

But a world away, along the Avenue of Eternal Peace, a bearded man in his 70s squatted on the pavement with his grandson, Zhen Zhen. Their ambitions were more modest: their next meal.

The boy's mother had died, and his father had been laid off by an unprofitable state-owned enterprise in Shandong Province.

Once, workers could count on lifetime employment at such companies, and their families would be part of the "iron rice bowl," but no longer. For three days, Zhen Zhen and his grandfather had been panhandling for money and sleeping on sidewalks.

"It's just the two of us," the old man said, pinching the boy's dirty cheek.

At almost every corner of the intersection stood a person with another tale of poverty amid China's plenty — some victims of natural disasters, others of man-made ones. Like millions of other Chinese from the impoverished countryside, these people have washed ashore in a big city in search of money or opportunity.

The gap between the street corners and the private clubs, between the comfortable homes of Chinese leaders and the hovels most people inhabit, angers people who have been raised on a diet of socialist rhetoric about the importance of equality and the dignity of workers.

"The ideology of egalitarianism is still very much alive," said Perry Link, a Princeton University professor of Chinese studies. "It's one of the legacies from Mao. The rising gap between rich and poor is full of irony after a revolution that was designed to eradicate that. If inequality increases, or is perceived as increasing, it's going to be very incendiary because of this legacy."

Some party officials agree. "With the restoration of the private economy, the gap between rich and poor in China is widening and polarization is developing," a group of orthodox Marxists said in a 1995 essay circulated among Chinese leaders. Beijing residents have divided the wealthy into five categories, according to the China Business Times. "Red" refers to party or government officials who "wear a red hat" and take bribes or trade power for money. "Yellow" refers to people in the pornography business. "Blue" is for ocean-going smugglers. "White" describes drug dealers. "Black" refers to gangsters.

"These five types of illegal activities have severely worsened the social environment and their huge incomes have increased income disparities," the article said. In a Beijing Youth Daily survey published in June, nearly half of those polled said they believed that rich people had acquired their fortunes through illegal means. Nonetheless, international experts say China's problems should not undermine faith in the benefits of globalization. Debra Spar of Harvard University argued that was better to be a little less poor, even if others were much richer.

"Are workers in China, Indonesia, the United States or wherever better or worse off," she asked, "if their wages go up, yet the gap between their wages and the returns from capital widen even more? My personal sense is that real, after-inflation wages are more important than the relative position of workers. Yet in practice, as we know, most people — not just workers or economists — tend to focus on relative gains."

Michael Williamson/The Washington Post

Mr. Tao at his Beijing house, which, as the Chinese markings indicate, is to be demolished. He is being forced out in favor of rich businessmen.

In Hong Kong, Greater Hopes For the Future

Reuters

HONG KONG — People in Hong Kong are becoming more confident about their future as the transfer of the British colony to Chinese rule looms just six months away, according to an opinion poll released Thursday.

In a telephone survey of 520 people, conducted on Monday, 77.9 percent of those who responded expressed confidence about Hong Kong's future, compared with 66 percent three weeks ago. The number saying they were not confident dropped to 9.6 percent from 10.2 percent, according to the survey, which was conducted by the University of Hong Kong.

But another survey, by the Chinese University of Hong Kong, said that more of the territory's young people were concerned about human rights and other freedoms under Communist rule.

In that poll, conducted in November and released Wednesday, 26.9 percent of the respondents said they were worried about the preservation of rights after control of the territory passes to Beijing at midnight on June 30.

The figure was up from 17.9 percent in a similar survey in 1995, Timothy Wong, a researcher at the Chinese University of Hong Kong, said Thursday.

The November study, which polled 1,300 Hong Kong residents aged 15 to 24, also found that 59.5 percent regarded human rights and freedoms as the most important of all civil liberties, compared with 23.2 percent in 1995.

Taleban to Punish Any Failure to Pray

Reuters

ISLAMABAD, Pakistan — Afghanistan's ruling Taleban movement said Thursday that it would punish Muslims who failed to perform their five-times-a-day Islamic prayers in the capital, Kabul.

A Taleban order broadcast by official Kabul radio, monitored in Islamabad, said that observances would be checked by units of a government department, Amar Bel Maruf wa Nahi Anil Munkar, or Promoting Good and Fighting Evil.

It asked all citizens, including shopkeepers and government employees, to stop work on hearing the muezzin's call for prayers and to go to mosques.

Taleban, which captured Kabul in late September from the deposed government of President Burhanuddin Rabbani, has enforced a strict Islamic code, including a requirement that women be veiled, in the more than two-thirds of Afghanistan that it controls. .

GM: *As Chinese Incomes Rise, Carmaker Bets $2 Billion on a Budding Consumer Culture*

Continued from Page 1

away too much in the terms of its proposed joint venture with Shanghai Automotive Industry Corp.

But to GM's executives, it doesn't matter that the passenger car market now is small — just 322,000 vehicles sold in 1995, and the 1996 figure probably fell short of the target of 400,000. Buyers are still largely from the country's elite.

GM also says China has vast potential as an efficient, competitive zone from which to export finished vehicles and parts to the rest of the world.

Are foreign car companies threatening their own futures by building strong competitors in China, as U.S. electronics companies did by sharing their technology with Japan a generation ago? GM, for one, puts those concerns aside.

"If China's intent is to become capable of producing a car," Mr. Schlais said, "they will become capable" whether or not GM is involved. "I'd rather be working with them as a partner. My feeling is we are doing exactly the right thing."

In recent years, as family incomes have grown, Chinese officials have focused on making passenger cars. But China's state-owned industry is struggling with old technology, poor management, a surplus of workers and crippling regional rivalries. Because each region wants its own auto industry, there are more than 120 auto companies and around 2,000 auto-parts companies, according to a report by Japan's Daiwa Institute of Research.

As a result, economic planners have laid out a scenario that merges the players into three or four motor-vehicle conglomerates within 15 years — and with aspirations far beyond its domestic market. The planners want Chinese automakers to join the ranks of Toyota Motor Corp., Nissan Motor Co. and GM in battling for global sales.

Foreign money and expertise are a key to all of this, and China is inviting companies in on a case-by-case basis, looking closely for those that would best advance that plan. They are not allowing fully foreign-owned car-assembly plants; all investment must help Chinese companies as well.

When Mr. Schlais was dispatched to GM's China operations a couple of years ago, the company feared it was already too late. The door seemed to be closing, as China had made several deals, including one with Volkswagen AG (its ventures now account for about half of all passenger-car production in China).

But, Mr. Schlais said, he met with Chinese leaders and agreed that GM would "look at China as part of the global market," meaning it would get state-of-the-art technology and that the products GM brought to China would be new products.

GM also decided to pledge a technology exchange, to become a "significant player" in the local auto-parts market, to hire and train Chinese employees and to commit itself to China for the long term.

In addition to building a modern assembly plant in Shanghai, GM has offered to create a sophisticated research and development center where Chinese engineers would be taught to design cars.

GM already has established institutes at Tsinghua University in Beijing and Jiatong University in Shanghai where it is training automotive engineers. It also has sent 13 people from China to Canada to watch the start-up production of a new line of cars.

Rudi von Meister, who heads the China operation of Delphi Automotive Systems, GM's parts subsidiary, acknowledged that incorporating up-to-date technology would be among the main challenges of the program.

A key part of GM's strategy is to foster the manufacture of auto parts here because the country's leaders want China to be more than just an assembly site. In fact, China has said that new joint ventures will be required to produce passenger cars containing 40 percent Chinese-made parts the first year of production and 80 percent by the fifth year.

So far, Delphi has set up 10 joint ventures in China at a cost of $250 million, and it plans to have twice that many in the next couple of years. Mr. von Meister said some of the ventures were almost immediately profitable, while others would take years to make money.

Volkswagen is most frequently held up as proof that foreign automakers can make a profit in China.

Its 10-year-old Shanghai Volkswagen Automotive joint venture, which produces China's top-selling car, the Santana model, has been profitable since its first year of operation, according to Martin Posth, a member of Volkswagen's management board for the Asia-Pacific region. But those profit margins are thin, according to analysts, and other Volkswagen projects here are not making money.

EUROPE

Chechen Payment: Camels or Cash

The Associated Press

GROZNY, Russia — A recently established Islamic court in Chechnya has ordered a man to pay 63 camels to the relatives of a man he killed in a traffic accident.

Muslim separatists effectively control Chechnya after a 20-month war with Russian troops, and they have set up a number of new courts based on their interpretation of Islamic law, or Sharia.

On Tuesday, three judges convicted Ali Khasiev of killing Yusup Akbulatov in a traffic accident and ordered him to pay 63 camels to Mr. Akbulatov's family. One problem: There are no camels in Chechnya. As an alternative, Mr. Khasiev can pay $63,000 to Mr. Akbulatov's family, the judges said.

For Humiliated Russians, All Quiet on the Chechnya Front

By Lee Hockstader
Washington Post Service

MOSCOW — Quietly and with little ceremony, the last Russian combat units have been withdrawn in recent days from the separatist republic of Chechnya, a final, sour symbol of Moscow's defeat in a bitter and bloody war.

With inadequate housing at the disposal of the armed forces, some of the departing troops have left Chechnya only to wind up shivering in crude, unheated and abandoned barracks in southern Russia or camped out in tents on frozen fields.

"We have been relocated to this place where nobody needs us," Sergeant Anatoli Kuzmenko told Izvestia. "Therefore, we are waiting here in an empty field to meet our fate."

The pullout comes two years, almost to the day, after Russian troops and armor unleashed a full-scale New Year's Eve assault on the Chechen capital, Grozny, that the Kremlin boasted would extinguish Chechnya's talk of independence.

Instead, it left the streets of the city littered with the remains of Russian armor and Russian soldiers, stoked the flames of Chechen nationalism and touched off a 20-month war that left tens of thousands of people dead, most of them civilians.

Humiliated Russian Army officers have attempted lately to explain away the military debacle by contending that the Chechen guerrillas were in fact professional warriors with expert training from fraternal Muslim countries.

That represents a shift from the official line maintained throughout the war, according to which the separatists were described as small bands of armed criminals and hooligans.

In fact, all evidence suggests that most of the Chechen fighters were ordinary men, mostly civilians, who had taken up arms to defend their homeland against Russians whom they saw as invaders. They were highly motivated, but what training most of them had received generally had come from the Soviet Army.

"Our dimwitted leaders finally understood the rather obvious fact that it was impossible to win a partisan war with Chechnya," Sergei Kovalyov, who resigned as the government's human-rights chief over the conflict, told the magazine Novoye Vremya.

At the height of the war, more than 40,000 troops from the Russian Army and the Interior Ministry were in Chechnya. They were vanquished in a lightning raid on Grozny by Chechen fighters in August.

A peace deal that included the withdrawal of Russian troops was then brokered by Alexander Lebed, acting in his brief incarnation as President Boris Yeltsin's security chief and special peace envoy to Chechnya.

Russian military officials said that in the past couple of days, all combat forces had been withdrawn from Chechnya, leaving only a small number of logistical and transport troops. They, too, are scheduled to leave the republic in the next three weeks or so.

"The war in Chechnya was stopped in 1996," Mr. Yeltsin said in a year-end interview with Russian reporters Monday. "I will not venture to say that the vicious circle of intolerance and hatred has been broken fully and everywhere," he said, "but I will consistently pursue this course" of peace.

Questions remain about whether Chechnya is legally still part of Russia. According to the peace deal, the issue is to be deferred until 2001. But there is no mistaking the picture on the ground in Grozny: The Kremlin's writ does not extend there.

The costs of the war have not only been to Russia's wounded pride or authority in Chechnya. The war also demolished whatever prestige the Russian Army once had as a well-trained and formidable fighting force. Now, Russia's partners and foes alike know better.

The war's price in lives has also been high, with estimates ranging from 30,000 to 80,000.

But in other ways, especially in the international arena, the war in Chechnya was not an especially costly venture for Russia: With the war still under way, the International Monetary Fund approved a $10 billion loan to Russia, and despite an avalanche of reporting about massacres and other atrocities by Russian troops in Chechnya, Moscow was welcomed into European organizations dedicated to the furtherance of human rights.

BRIEFLY EUROPE

Bern Apologizes To Jewish Groups

GENEVA — The outgoing Swiss president, who caused an international storm by dismissing as "blackmail" demands for compensation for Holocaust victims, apologized Thursday for his remarks.

Jean-Pascal Delamuraz said he regretted that his comments had been "misunderstood." His spokesman, Thomas Schwendimann, said Mr. Delamuraz was sorry for any grief he might have caused families of Holocaust victims.

But the spokesman said Mr. Delamuraz stood by the government's view that it was premature to set up a compensation fund for Jews who lost assets during World War II pending the outcome of a full investigation.

In an interview Tuesday, Mr. Delamuraz described demands by some Jewish groups for a compensation fund of $250 million as "blackmail." *(AP)*

Ex-Minister Released

LIEGE, Belgium — A former minister, Alain Van der Biest, was released from detention Thursday, four months after he was arrested and accused of involvement in the murder of former Deputy Prime Minister Alain Cools in 1991.

His attorney, Jean-Luc Dessy, said the accusations were not strong enough to merit his detention. The charges against Mr. Van der Biest, formerly a pensions minister and a regional interior minister, remain. He was arrested in September. *(AP)*

Kohl to Meet Yeltsin

BONN — Chancellor Helmut Kohl of Germany will meet with President Boris Yeltsin of Russia on Saturday, hoping once more to use their close personal relationship to advance the cause of NATO expansion and partnership with Moscow.

Mr. Kohl will be the first Western leader to visit Mr. Yeltsin since the Russian president returned to work in the Kremlin at the end of December after undergoing heart surgery.

The item likely to dominate the agenda is the North Atlantic Treaty Organization's plan to admit members from Eastern Europe despite objections from Moscow. *(Reuters)*

Greek Aide Resigns

ATHENS — The Greek secretary of state for foreign affairs resigned Thursday, saying he had been unfairly attacked during his tenure.

Christos Rozakis, an advocate of improving ties with Turkey, the regional rival of Greece, had drawn criticism for proposals on military affairs that were considered liberal.

The Socialist minister had been appointed to the post following the reelection of the Socialists in September. *(AFP)*

For the Record

Divers recovered 17 of the 20 people trapped inside a capsized Greek cement carrier before it slipped beneath the waves in shallow waters off the coast of Euboea Island in Greece early Thursday. *(AP)*

Germany plans to crack down on smugglers of illegal immigrants by increasing the number of border police near Poland and the Czech Republic, Interior Minister Manfred Kanther said in an interview published Thursday. *(AFP)*

Bruno Latde/Agence France-Presse

Soldiers guarding bags of homemade explosives in Belfast on Thursday. The police said the bags were found in a van abandoned by the IRA.

Van Near a Belfast Hotel Held IRA Explosives

Vehicle Was Abandoned to Avoid Troops

Reuters

BELFAST — A van abandoned by the Irish Republican Army near a Belfast hotel earlier this week contained 1,000 pounds of explosives, the police said Thursday.

Late Tuesday, British security forces sealed off park land around Belfast Castle, a former private mansion packed with revelers, as bomb disposal officers tried to establish if the vehicle contained explosives.

The police said they had also found other bomb-making equipment in the vehicle apart from the homemade explosives.

"It contained about 1,000 pounds of explosives in two bins, also detonating cord and other bomb-making equipment," a police spokesman said.

Security forces are cautious when directed toward targets by the IRA because they have been surprised by booby traps and secondary bombs in the past.

The police said a man using an IRA identity code word telephoned new organizations late Tuesday saying there was a land mine in the vehicle. He said the group had dumped the vehicle after encountering British counterguerrilla activity.

A senior police officer said the incident was not unexpected in the current security climate. "We have been warning for some time of the likelihood of terrorist attacks and have taken steps to counter the efforts of paramilitary groups to inflict death and destruction," said Chief Superintendent William Davidson of the Royal Ulster Constabulary.

The Northern Ireland secretary, Sir Patrick Mayhew, on Wednesday described the IRA's action as "a New Year message" from what he called criminal gangsters who had not turned away from a strategy of violence to achieve their political objectives.

The police said officers on high alert had already become suspicious of a van parked in the hotel grounds and called in the bomb squad. A bride and groom, their guests and others attending New Year's Eve receptions were among those led out of the building.

Security has been stepped up across Northern Ireland and in mainland Britain since the IRA abandoned a cease-fire last February in a 27-year campaign to end British rule.

The IRA set off a wave of bombs in British cities, and in October killed a soldier at British Army headquarters south of Belfast.

Tension increased recently with signs that pro-British guerrillas might end a two-year truce. Booby-trap bombs were placed under cars belonging to republican militants, injuring one of them. Unionist hard-liners were blamed.

Arms Race in Budapest

Reuters

BUDAPEST — The police said Thursday that the level of violence in Budapest had reached a new peak with the firing of an anti-tank weapon at an empty apartment above a nightclub where a New Year's Eve party was being held.

The shell failed to explode.

The IHT Pocket Diary Puts 1997 Right Into Your Pocket.

Year after year — even at a period when diaries abound — the International Herald Tribune flat, silk-grain leather diary is the hit of the season.

Ingeniously designed to be thinner-than-thin, it still brings you everything... including a built-in note pad with always-available "jotting paper". Plus there are conversion tables of weights, measures and distances, a list of national holidays by country, a wine vintage chart, and many other useful facts. All in this incredibly flat little book that slips easily into a pocket.

The perfect gift for almost anyone... including yourself.

Please allow three weeks for delivery.

- Measures 8 x 13 cm (5 1/4 x 3 in.).
- Black leather cover with gilt metal corners.
- Week-at-a-glance format, printed on French blue paper with gilded page edges.
- 1997 notable dates and national holidays in over 90 countries; world time-zone table; international telephone dialing codes and country prefixes.
- Blue ribbon page marker.
- Includes removable address book that fits snugly into its own silk pocket.
- Each diary packed in a blue gift box.
- Corporate personalization and discounts are available. For details, fax Paul Baker at (44 181) 944 8343.

Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

3-1-97

Please send me _____ 1997 IHT Pocket Diaries.

Price includes initials, packing and postage in Europe:
1- 4 diaries UK £22 (U.S.$34) each
5- 9 diaries UK £20.50 (U.S.$32) each
10-19 diaries UK £18 (U.S.$28) each
INITIALS up to 3 per diary

☐ Additional postage outside Europe £4.50 (U.S.$7).

☐ Check here for delivery outside Europe by registered or certified mail: £5.75. (U.S.$8.90) per package plus postage.

Payment is by credit card only. All major cards accepted.

Please charge to my credit card:
☐ Access ☐ Amex ☐ Diners ☐ Eurocard ☐ MasterCard ☐ Visa

Card N° _____
Exp. _____ Signature _____
Name _____
Address _____
City/Code _____
Country _____
Company EU VAT ID N° _____

Mail or fax this order form to: International Herald Tribune Offers, 37 Lambton Road, London SW20 0LW U.K.. Fax: (44 181) 944 8243.

TO OUR READERS IN BELGIUM

It's never been easier to subscribe and save.
Just call toll free at 0 800 1 7538.

Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

For Brussels Bureaucrats, Civil Service Can Pay Off

Reuters

BRUSSELS — The top basic salary that a European Union civil servant can earn has risen to 537,296 Belgian francs a month.

The amount, equal to $16,791, is the salary that will be paid to high-ranking officials, such as European Commission directors-general, who are at the high end of their pay scale, according to a new regulation published in the EU's Official Journal.

The smallest salary for an EU official with an "A-level" post, which requires a university degree, is 142,178 francs a month.

Salaries for the lowest-level EU officials begin at 73,192 francs a month, with secretaries earning between 80,936 francs and 153,530 francs.

In addition, civil servants of the European Union receive other payments, such as expatriate allowances, on top of their basic salaries.

INTERNATIONAL CLASSIFIED

Escorts & Guides

ATLANTIC
EVERY MAJOR CITY WORLDWIDE
LONDON PARIS NEW YORK
++ 44 (0) 7000 77 04 11/2233
++ (1) 212 765 1919
kiss@at-star.com
http://www.at-star.com

BRUSSELS
V.I.P.
First Class Escort Service in the Capital of Europe. Any style any language available for all occasions: dinners, evening-parties, weekends, welcoming at the airport & limousine with driver. All credit cards accepted. 24h/24, 7 days a week.
PHONE: (+32.2) 646.30.93
FAX: (+32.2) 646.71.88
E-mail:internet.brussels.vip@infoboard.be

BELGRAVIA ORCHIDS
LONDON - PARIS
THE FINEST & THE MOST SINCERE 18 - 38+ INTERNATIONAL BEAUTIFUL & ELEGANT STUDENTS SECRETARIES, AIR HOSTESSES & MODELS +
AVAILABLE FOR ALL OCCASIONS
BEVERLY HILLS
NEW YORK
SERVICE WORLDWIDE
Escort Agency Credit Cards Welcome
TEL: LONDON ++ 44 (0)
0171 589 5237

INTERNATIONAL ESCORTS
World's First & Most Exclusive Service Models, Beauty Queens, Actresses Multilingual Travel Companions
Hdqtrs. 212-765-7896 NY, USA
Service worldwide. Credit cards, checks accepted. View videos & photos in office.

VENUS IN FURS
24HR WORLDWIDE ESCORT SERVICE
LONDON 0171 362 7000
All cards. Advance bookings welcome

ELITE Escort Service
NEW YORK CITY
1-800-464-6667

HEIDI'S HIGH SOCIETY*VIENNA*PARIS
COTE D'AZUR & ZURICH * GENF
International Escort & Travel Service
Vienna ++43-1-5354104 all credit cards

K&K Top Model Escort/Travel Service
VIENNA*PARIS*LONDON
ISTANBUL & throughout GERMANY
Elegant* Sophisticated*Exclusive
All Events call ++49-1-7187355

MILAN*ROME*ITALY*LONDON*PARIS*
BRUSSELS*LUGANO*MADRID*MUNICH
D'DORF*RIVIERA*VIENNA Escort Service. Tel. +39(0)348 220 1862 Cards

BEAU BELLE ESCORT SERVICES
Gorgeous Men/Women 18 - 55. International with black/Asian. Cards Accepted.
London - Paris 0410 477162

AMSTERDAM BERNADETTE
Escort Service & Dinner Dates
Tel: 631 83 36 or 631 06 43.

BERN, BASEL, ZURICH
ESCORT SERVICE
+41/77/880505 OR 77/880660

HELENA ESCORT SERVICE
LONDON HEATHROW 24 HRS
TEL: 0850 173940

KIRSTEN CHARISMATIC REDHEAD
Private Escort Service Tel:0171 266 2696 Credit Cards Accepted

NICKY Charismatic, Beautiful
Private Escort Service
Kensington 0171 792 0861

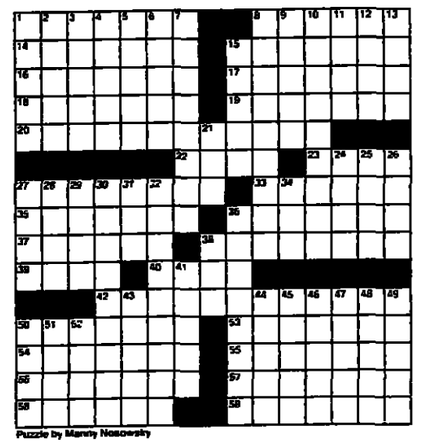
VIENNA*PRAGUE: KENNEDY'S Escort Service. Friendly, elegant, attractive, cards. Day & night: (++43 1) 5335044

Harry's
Est. 1911, Paris
"Sank Roo Doe Noo"
A Space for Thought.

CROSSWORD

ACROSS
1 Just sit, as soup or coffee
8 Empire State leader
14 Island song a k a "Farewell to Thee"
15 Emulate Bobby Shaftoe
16 Becomes bored with
17 Like Romeo and Juliet, in Act II
18 1980's Attorney General
19 Takes care of
20 Tank carrier?
22 Toodle-oo
23 Bugs in lines
27 Flickering
33 Easily tripped up
35 Jam-packed
36 *Think about, at night*
37 Mountaineer's descent
38 Well-schooled
39 Prefix with scope
40 Aforementioned
42 Certain mourns
50 1988 earthquake site
53 Cry at a basketball arena
54 Ahead
55 Blow up
56 One out?
57 Pussyfooted
58 Kitchen drawer gadget
59 Monthly since 1850

DOWN
1 Protected, as an estate
2 Skip
3 "Careless Hands" singer, 1949
4 Aviary sound
5 *Desert dreams, perhaps*
6 Of doubtful morals
7 Got the better of
8 Engage in bar-hopping?
9 Expiate with "for"
10 A-one
11 Without warranty
12 Fictional suit-changer
13 Globe plotter
15 Boorish jokester's question
21 —— es Salaam
24 Wine county
25 Race pace
28 "Auld Lang ——"
27 Growing room
28 Mom's mom
29 "Dragnet" org.
30 Took unfair advantage of
31 Fr. title
32 Alice's restaurant?
34 Word in society
36 Fries, usually
38 Count Basie's "—— Darlin'"
41 "Haste makes waste," e g
43 Like a crone
44 Reddish-brown
45 Submit
46 Pass twice
47 Weave in and out
48 Aromatic chemical
49 Offspring
50 Chow chow, maybe
51 Bring in the sheaves
52 Moon feature



Puzzle by Manny Nosowsky

© New York Times/Edited by Will Shorts.

Solution to Puzzle of Jan. 2

P	E	D			Y	A	M		B	A	T	T	L	E
A	L	I		B	A	S	E		I	N	U	R	E	S
C	I	V	I	L	W	A	R		S	T	R	E	E	P
T	H	E	H	A	P	P	Y	H	O	O	K	E	R	
S	U	D	A	N			L	Y	N	N				
			D	D	A	Y		P	S	Y	C	H	E	D
A	S	H		E	X	E	C				H	A	L	E
L	E	E	P	R	E	S	S	O	N	N	A	I	L	S
O	G	R	E				A	W	A	Y		L	E	I
T	A	B	A	S	C	O		E	T	T	U			
				C	O	M	A			I	S	A	C	T
	S	H	E	R	M	A	N	H	E	M	S	L	E	Y
T	H	E	T	A	B		G	E	N	E	R	A	L	S
E	U	R	O	P	E		L	A	D	S		R	I	O
A	T	O	N	E	D		E	L	S			M	E	N

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Giving Up on Tibet?

Last week the Chinese government gave a 30-year-old scholar of Tibetan music an 18-year prison sentence for espionage. Even by Chinese standards the sentence is astonishingly long. It is also a warning to Tibetans that their already scarce liberties are now further endangered.

Ngawang Choepel fled Tibet with his family when he was 2 to the Tibetan exile community in Dharmsala, India. He came to the United States in 1993 to study and teach at Middlebury College. In 1995 he went to Tibet to capture on video traditional songs and dances that he feared were being lost. The basis of his conviction is unclear, but even taping Tibetan culture for export could qualify as espionage under Chinese law.

Since its invasion of Tibet in 1950, Beijing has gradually increased its efforts to erase Tibet's identity. China has arrested those who protested the takeover and tried to eradicate the people's affection for the leader of Tibetan Buddhism, the Dalai Lama. In the 1960s and 1970s, the Chinese killed thousands of monks and nuns and destroyed virtually all Tibet's monasteries. China later tried a slightly softer line, but riots in 1987 brought another crackdown. Monks have been asked to repudiate the Dalai Lama or face expulsion, and at least 700 Tibetans are now in prison for political offenses.

China's repressive policy is wrong both morally and politically. By smothering Tibetans' ability to speak, worship freely or express their culture, China risks driving them to violence. Last week a powerful, sophisticated bomb blew up outside a government building in Lhasa. Although the Dalai Lama has never wavered in his commitment to nonviolence and denies any link to the bomb, the government quickly blamed the bomb on "the Dalai clique" and has vowed to retaliate.

The Chinese government went out of its way to link Ngawang Choepel to the United States, charging that Americans underwrote his trip and that he was gathering information for a foreign agency.

Indeed, Chinese officials seem to delight in taunting the United States over human rights issues. During a visit by Secretary of State Warren Christopher in 1994, Beijing arrested China's leading democracy campaigner, Wei Jingsheng. In May of that year, Washington ended the linkage between China's behavior on human rights and its preferential trading status. Only two months later, hardliners at a Communist Party meeting pushed through a policy that increased Chinese control of Tibet.

To be sure, American officials have scolded Beijing about human rights abuses in Tibet, Hong Kong and China itself. But the Chinese know they can safely ignore such talk. The Clinton administration, unwilling to damage its relations with Beijing, has failed to impose any real cost on Chinese repression. Whether or not Beijing intended Ngawang Choepel's sentence as a specific message to Washington, Washington should read it as an indication of China's continuing contempt for its weak defense of Tibetan rights.

— THE NEW YORK TIMES.

Democracy for Serbs

The most urgent project in Europe in the new year is to ensure the people of Serbia the leadership of their democratic choice. This result would not just bring relief to the 10 million people who live under Slobodan Milosevic in what has been called the last totalitarian regime on the continent. The example and policy of democracy in Serbia also would open the surest and shortest road — if still a steep and rocky one — to resolving tensions throughout the former Yugoslavia as a whole.

But is it sentimental, or at least regrettably premature, to expect the street demonstrations of 40-plus days to make the difference? Mr. Milosevic has deployed his well-armed and well-paid police to harass the daily protesters. He is tending to his political base among workers and farmers — by payoffs that mock economic reform. He is skillfully playing the nationalist card and throttling independent Serbian media voices.

Discontent is spreading, nonetheless, beyond the opposition parties and students who are out on the street. The Milosevic party's coalition partner in Serbia is urging him to reinstate the opposition municipal-election victories whose annulment drove the demonstrators to open protest. Even Montenegro, Serbia's usually pliant junior partner in the residual Yugoslavia, is talking about honest democracy. The army is showing signs of detaching itself from Mr. Milosevic's political agenda.

On the international front, moreover, the Serbian leader is under ever heavier duress. The Organization for Security and Cooperation in Europe has corroborated most opposition allegations of electoral fraud and is demanding a prompt Serbian response. The earlier lifting of "inner wall" trade sanctions has made little difference because of the regime's hostility to economic reform, while the "outer wall" International Monetary Fund and World Bank sanctions are still in place and cutting deep.

For the first year of the Dayton peace accords, international attention centered on Bosnia. This helped President Milosevic, who sold himself to the anxious West as essential to delivering the Bosnian Serbs to the agreed settlement. Now things are different. He seems either unable or unwilling to work further on Bosnia. His priority is his own increasingly parlous situation at home. In that role, however, he must answer sooner or later to a public that knows him as a leader who failed in his reckless goal of creating a "Greater Serbia" and left his country broken and bereft, isolated and in disrespect everywhere.

— THE WASHINGTON POST.

Backward in Seoul

South Korea's president, Kim Young Sam, is coming under domestic fire just as he basks in North Korea's apology for its submarine infiltration. As in the old days of military dictatorship, the police under South Korea's first democratically elected civilian president are loosing tear gas on mass demonstrations in the streets of Seoul. This time the first cause has to do with a new labor law. But there is a second cause, a domestic spying bill, as well.

The circumstances of the labor law's enactment are themselves inflammatory. Blocked by the opposition from meeting at the National Assembly, the governing party secretly gathered its members at 6 A.M. last Thursday and in six minutes and without debate rammed through this bitterly contested legislation. The opposition's provocation was considerable, but the government's contempt for fair procedure was more so. This is a caricature of democracy.

The labor law itself is no routine measure. South Korea needs to meet two competing purposes: to match its labor procedures to those accepted in the advanced democracies, and to meet the competition of an ever fiercer global economy. The first requires an expansion of labor prerogatives, and the second an acceptance of a tough marketplace discipline. President Kim failed to convince his opposition that he meant to consult with them freely in order to ride these twin tigers. When he moved to end South Korea's lifelong employment system by allowing companies to lay off workers, he did not weave the tighter safety net that could break the fall.

The national security amendment that also was hustled through Parliament at dawn was an add-on that was bound to stir the democratic constituency. It was South Korea's pride just a few years ago to undo the harsh internal security restrictions that the generals had used to keep the political opposition down. Now the civilian Kim government pronounces this reform "premature." It cites the submarine incident and the "40,000 hard-core pro-North Korean leftists in South Korea" as reason to strengthen police domestic surveillance powers. But no serious case has been made. To piggyback passage of the surveillance legislation on the labor law can only aggravate public anxieties about how the new legislation will be applied.

South Korea has become more prosperous, strong, democratic and respected. It should not casually diminish these hard-won gains by yielding to the pressures and temptations of the day.

— THE WASHINGTON POST.

Herald INTERNATIONAL Tribune

ESTABLISHED 1887

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen

KATHARINE P. DARROW, *Vice Chairman*

RICHARD McCLEAN, *Publisher & Chief Executive*

MICHAEL GETLER, *Executive Editor*

• WALTER WELLS, *Managing Editor* • PAUL HORVITZ, *Deputy Managing Editor*
• KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • SAMUEL ABT and CARL GEWIRTZ, *Associate Editors* • ROBERT J. DONAHUE, *Editor of the Editorial Pages*
• JONATHAN GAGE, *Business and Finance Editor*
• RENÉ BONDY, *Deputy Publisher* • JAMES McLEOD, *Advertising Director*
• JUANITA L. CASPARI, *International Development Director* • DIDIER BRUN, *Circulation Director.*
Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 41.43.93.00. Fax: Circ., (1) 41.43.92.10; Adv., (1) 41.43.92.12. E-Mail: iht@iht.com

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel. (65) 472-7760. Fax: (65) 274-2334
Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188 Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 69971250-0. Fax: +49 69971250-20
Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785
U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254
S.A.S. au capital de 1 200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337
©1996, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

For a Civil America, an Example of Shared Decency

By Robert J. Samuelson

WASHINGTON — The most affecting and instructive political event of 1996 for me was a funeral I did not attend. I read about it later, and it said something important about how the American political system has changed for the worse. The system has lost much of its power to conciliate. Instead, it often inflames conflicts that, though real, ought to be manageable.

What crystallized the change for me was the funeral of David Ifshin, a lawyer who had served as counsel to Bill Clinton's 1992 campaign. One of the men who eulogized Mr. Ifshin was Republican Senator John McCain of Arizona. What made this moving was not the difference of political parties. It was history.

In 1970, Mr. Ifshin, then in his 20s, had visited Hanoi as an anti-war protester, while Lieutenant Commander McCain, a downed navy pilot, was being held and tortured in a Vietnamese prison. That these two men had reconciled and developed respect and friendship seemed completely at odds with today's hateful political climate. It is a climate in which people increasingly view their opponents as their enemies.

The reconciliation was not a deathbed event. It had preceded by some years Mr. Ifshin's discovery of a fatal cancer. Mr. McCain had once harshly criticized Mr. Ifshin in a speech and later decided that it was a cheap shot that he regretted. Mr. Ifshin had decided that going to Hanoi, whatever his view of the war, was an unpatriotic act that dishonored American servicemen.

A measure of the two men is that, in their separate tellings of their friendship, it is unclear who apologized first. (The full story is recounted by Michael Lewis in the May 13th issue of The New Republic.)

If Mr. Ifshin and Mr. McCain could bury their large disagreements, why are smaller differences so poisonous today? After all, theirs was no ordinary dispute. Mr. Ifshin believed that the war was wrong; McCain thought it was his duty to serve. The Vietnamese held Mr. McCain for five and a half years; Mr. Ifshin's speeches were repeatedly piped into his prison.

The two of them, it seemed to me, were entitled to their grudges. The conflicts of the 1960s involved life-and-death matters, or nearly so — Vietnam, civil rights. What is harder to understand is the present ugliness. By and large, the issues that preoccupy politics and public discourse now are less momentous and involve fewer moral absolutes.

Abortion is an obvious exception. But in general Americans face questions — budget deficits, affirmative action, welfare reform, economic insecurities, Medicare policies, the excesses of popular culture — that defy simple solutions and involve many ambiguities. These are issues where opponents can often learn from each other, even if they continue to disagree. Yet politics today is often routinely and gratuitously nasty.

We now have clichés to describe the prevailing spirit. Debates lack "civility," we say. Politics has become "polarized," and opponents regularly "demonize" each other.

One answer to the question, I think, lies in a crucial difference between the politics of the '60s and the politics of the '90s. Conflicts then bubbled up from the depths of society, and the political superstructure — the president, Congress, other elected and appointed officials — tried to grapple with them. By contrast, today's conflicts are often consciously nurtured by political leaders and elites.

There has been a role reversal. The political leaders of the 1960s strove to resolve conflicts that they usually had not predicted and often did not understand. The governing class, Democrats and Republicans alike, had to deal with mass marches, street protests and a frontal assault — coming mostly from campuses — on the very legitimacy of the political system and almost all authority figures. The political system, often grudgingly, strove to acknowledge these pressures and channel them into formal politics. The effort was to mediate differences.

The governing class of today focuses more on merchandising differences. Your virtues are defined by your adversary's vices. It's a way of creating a political identity. If the differences are minimized or fade away, what remains?

It is not just politicians who embrace this salesmanship. It is how advocacy groups and lobbies appeal to their members. It is how journalists and talking heads engineer their own celebrity. Debate proceeds in the superlative. The other side's argument isn't just wrong, it's ruinous. It threatens the future of (take your pick) the economy, the environment, democracy or the society itself.

I am not arguing that we should submerge genuine differences. Healthy debate should be pointed and, at times, scathing. But I am suggesting that the cultivation of conflict, rather than of its resolution, has become a larger concern of politics and that a lot of the resulting ill will is powered by self-promotion. It is hucksterism.

The causes of this change are not obvious, at least to me. Television (which encourages sensational sound bites), the growth of government (which spawns advocacy groups) and the collapse of old-time political machines (which makes politicians more insecure) — all these are possibilities.

But whatever the causes, the phenomenon stretches across the political spectrum and poses clear dangers. It has already increased Americans' normal distaste for politics. Character assassination often substitutes for measured debate; that does not inspire respect. And the exaggerated differences among political elites — politicians, pundits, advocates — may amplify actual differences among ordinary people.

In general, Americans are less splintered than they are portrayed. But we routinely witness harsh disagreements among "opinion leaders," and we are constantly told how divided and different we are. Sooner or later we may come to think and act that way. We may forget common values.

Politics is inevitably about disagreements, and many of these matter deeply. But beyond the conflicts lie larger areas of agreement that define us as a nation and people. Among these are a tolerance of our differences.

As it happens, I met Mr. Ifshin and Mr. McCain on separate occasions, each for about 15 seconds. I cannot claim to understand precisely what motivated their reconciliation. But I suspect that it was a common decency and an instinctive recognition of the importance of these larger areas of agreement. If so, their message is worth pondering for 1997.

Washington Post Writers Group.

But Honest Politics Is Full of Necessary Conflict

By Michael J. Sandel

CAMBRIDGE, Massachusetts — Meanness is out of season in American life. Calls for civility echo across the land.

Sensing the backlash against incivility, President Bill Clinton and Republican leaders promise to rise above partisanship and seek common ground. Members of Congress plan a bipartisan weekend retreat to get to know one another better and to discuss ways of conducting their disagreements with greater civility.

Meanwhile, a growing number of national commissions ponder ways of renewing citizenship and community.

Americans are right to worry about the erosion of civility in everyday life. But it is a mistake to think that better manners and decorum can solve the fundamental problems of American democracy. In politics, civility is an overrated virtue.

The problem with civility is the very thing that tempts politicians to extol it: It is uncontroversial. But democratic politics, properly conducted, is filled with controversy.

It is desirable, of course, that political debate be conducted in a spirit of mutual respect rather than enmity. But too often these days the plea for more "civility" in politics is a high-minded way of pleading for less critical scrutiny of illicit campaign contributions or other misdeeds.

Likewise, the call to rise above partisanship can blur legitimate policy differences or justify a politics that lacks principle or conviction.

From the New Deal to the civil rights movement, principled politics has always been partisan, at least in the sense of requiring the mobilization of like-minded citizens to fight for a cause that others oppose.

The incivility now rampant in American life will not be cured by exhortation or by a muting of political differences. Americans' worries about incivility express a deeper fear that the moral fabric of community is unraveling. From families and neighborhoods to cities and towns to schools, congregations and trade unions, the institutions that traditionally provided people with moral anchors and a sense of belonging are under siege.

Taken together, these forms of community are sometimes described as the institutions of "civil society." A healthy civil society is important not only because it promotes civility (although this may be a welcome by-product) but also because it calls forth the habits, skills and qualities of character that make effective democratic citizens.

Above all, the institutions of civil society draw us out of our private, self-interested concerns and get us in the habit of attending to the common good.

A century and a half ago, Alexis de Tocqueville praised America's vibrant civil society for producing the "habits of the heart" on which democracy depends. If Tocqueville was right, there is reason to worry about the health of civil society, even beyond its effect on the manners that people display in stores and on the streets.

For if families, neighborhoods and schools are in ill repair, they may be failing to produce the active, public-spirited citizens a successful democracy requires. (The dismal turnout in the recent election may be one indication of this effect.)

This at least is the hunch underlying a profusion of national commissions sprouting up to explore ways to renew citizenship and community. They include the Penn National Commission on Society, Culture and Community, which convened this month in Philadelphia; the National Commission on Civic Renewal, led by William Bennett and retiring Senator Sam Nunn of Georgia; the National Commission on Philanthropy and Civic Renewal, whose chairman is former Education Secretary Lamar Alexander; and the Boston-based Institute for Civil Society, which recently announced a project on civic renewal to be led by retiring Representative Patricia Schroeder of Colorado.

Whether these efforts can help rejuvenate civic life will depend on their willingness to grapple with hard, controversial questions about the factors that have undermined virtue-sustaining communities in the first place. They must resist the temptation, endemic to such commissions, to steer clear of politically charged questions.

On the surface, the project of renewing civil society has the same kind of nonpartisan appeal as the call for civility. Who could oppose efforts to strengthen families, neighborhoods and schools? But the attempt to repair civil society will be uncontroversial only as long as it remains hortatory — the stuff of Fourth of July speeches and State of the Union messages.

Any serious effort to shore up value-laden communities must face up to the forces that have undermined them.

Conservatives like Mr. Bennett locate the threat to virtue-sustaining institutions in two sources: popular culture and big government. Rap music and vulgar movies corrupt the youth, they argue, while big government and the welfare state sap individual initiative, enervate the impulse for local self-help and preempt the role of mediating institutions.

Prune the shade tree of big government, they insist, and families, neighborhoods and church-based charities will flourish in the space now taken by the overgrown tree.

The cultural conservatives are right to worry about the coarsening effects of popular entertainment, which, taken together with the advertising that drives it, induces a passion for consumption and a passivity toward politics at odds with civic virtue. But they are wrong to ignore the most potent force of all — the corrosive power of an unfettered market economy.

When corporations use their power to extract tax reductions, zoning changes and environmental concessions from cities and states desperate for jobs, they disempower communities more profoundly than any federal mandate ever did.

When the growing gap between rich and poor leads the affluent to flee public schools, public parks and public transportation for privileged enclaves, civic virtue becomes difficult to sustain, and the common good fades from view.

Any attempt to revitalize community must contend with the economic as well as the cultural forces eating away at the social fabric. We need a political philosophy that asks what economic arrangements are hospitable to self-government and the civic virtues that sustain it.

The writer, a professor of government at Harvard University, is author of "Democracy's Discontent: America in Search of a Public Philosophy." He contributed this comment to The New York Times.

Between Reverence and Muckraking

By Geneva Overholser

WASHINGTON — "I will not have The New York Times muckraking the president of the United States," James Reston, then Washington bureau chief for The Times, said during the Kennedy administration.

"It seems like a lot of reporters kind of stake their reputation on trying to find something about politicians, like sharks going for blood," says a Washington Post reader, commenting on the style of today's political reporting.

So much has changed since the time when most Americans believed wholeheartedly in those who governed them.

But if today's reporting seems cynical, look at the politics it covers. Mr. Reston's reverential tone is hardly appropriate to a politics of posturing, manipulation, image-making. The age of heroic leaders is long past.

The press owes it to the public to lay bare the politics — but also to look further. Newspapers cannot solve what corrodes American civic life today, but they can do less to worsen the alienation — and maybe help foster that sense of shared hopes and purpose vital to democracy.

We are, as Philip Meyer, a University of North Carolina journalism professor, has said, in a period of "moral confusion as the players change and as the media grope for a new ethic."

In searching for that ethic, we must begin with the thought that there has to be something bigger at the heart of political reporting than cleverness, timeliness, insider status, a nose for deceit and a knack for catching somebody. What America wants now is to make some sense of today's problems, to find some way forward, even when the politics fall short of that goal.

Somewhere between reverence and sharks after blood lies an answer, and 1997 is a good time to seek it.

The Washington Post.

A Pledge of Civility for the New Year

By Ellen Goodman

BOSTON — My friend has taken a vow of civility for the new year. She is not a have-a-nice-day kind of gal; no bumper sticker exhorting other people to "commit random acts of kindness" ever graced her car. But after a year in which she finally began surfing away from political attack ads and banning "McLaughlin" groups from her living room, after assorted encounters of the third finger kind with hostile drivers, and too many silent exchanges with supermarket checkers, she has decided to try going civil.

Starting now, she will not only ratchet up the pleases, thank yous and would-you-minds, but also the friendly eye contact and the small daily conversations that are so trivially labeled as "mere pleasantries." They do not seem so mere to her anymore. She has resolved to liberally apply the lubricant of pleasant social exchanges to her brittle urban village. And see if it makes a difference.

I applaud this vow of civility. In collusion, I offer her the name of the surly dry cleaner from whom I have yet to wrench the glimmer of a human response. But I wonder if she is just one vow ahead of the curve.

Civility has become a catchword in the past year, as if Americans experienced some great, late, collective awakening to the coarseness of public discourse, the rudeness of private life. There is talk of spitting ballplayers, swearing lyricists and dirty-warring politicians. In some odd twist, incivility has even become an accusation for combatants to throw at each other.

The calls for civility now come from left, right and center. From the progressive minister Jim Wallis to the cranky judge Robert Bork.

In one radio address, the president called for civility in debate. And before a law school audience last fall, no other than Justice Clarence Thomas criticized "individuals who've forgotten the common standards of decency that every individual should show to others."

Still, I am uncertain if these civil servants mean the same thing. Is civility a point of agreement across the spectrum or just an easy cliché?

The motto of the 1960s was "Tell it like it is." The motto of the late 1990s may yet become "Mind your manners." But under this surface agreement it is not clear whether we want to resolve or merely repress disagreements. It is not clear whether we are hoping for a Disney World kind of courtesy-or-else between citizens, or a genuine reconnection.

Last month a New England family donated $35 million to fund a new Institute for a Civil Society. There was a huge response to the announcement of this think-and-do tank, a project aimed at rebuilding the "social" institutions and associations that bring local people a sense of community.

Yet the institute's president, former MacArthur Fellow Pam Solo, was struck by how many callers responded as if it were a project to restore good manners. They had rushed past the first dictionary definition of "civil" ("of or relating to citizens, to the state of citizenry") straight to the second definition — "adequate in courtesy and politeness."

Part of rebuilding a civil society, Ms. Solo agrees, "is getting people to talk to one another." Indeed, as a former peace activist she knows. "Violence is wordlessness; it begins where human conversation breaks down."

But the way we misbehave or ignore each other in our everyday lives is emblematic of a larger disconnection. "It has to do with a deeper sense of insecurity," says Ms. Solo. "A fear that I'm not sure I matter, that maybe we're all expendable." In this dialogue, we aren't just talking about the behavior of a driver who cuts in line, but of a boss who treats workers as disposable, a community whose people remain strangers.

The outcry for civility is as modest as it is wide. In my dictionary, after all, civil behavior "often suggests little more than the avoidance of overt rudeness." But, in the end, "manners" are about treating others as if they matter.

So, too, the quest can end in pro forma politeness. But it can also usher in a profound conversation about how we as a people treat and deal with each other. How do we recreate a community? One year and one vow at a time.

The Boston Globe.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Out of Alsace

PARIS — The Matin published a lengthy account of the reasons for the expulsion from Alsace of the three great-grandsons of the French statesman Guizot who recently visited M. Schlumberger, their grandfather, who is the president of the Landshauschutz. The order to leave the country came from Strasburg. These young men have been expelled as an example to the youth of the annexed provinces. The authorities did not approve of the young men choosing to remain French subjects when the time came for them to sign the usual declaration of nationality.

1922: Dalmatian Clash

BELGRADE — King Alexander has abandoned his hunting party at Laibach, and will definitely remain in the capital for the present. The cause of his return is admitted to be his anxiety to keep in touch with the progress of events in the negotiations with Italy regarding the unfortunate incident at Sebenico. Meanwhile, the Government, before replying to the Italian ultimatum demanding an apology for the alleged unprovoked attacks upon Italian sailors at the Dalmatian port, is awaiting the report of the special envoy holding an inquiry there.

1947: Palestine Raids

JERUSALEM — Jewish extremists, believed to be members of Irgun Zvai Leumi and the Stern Gang, launched concerted attacks on British centers in Jerusalem, Tel Aviv and Haifa. Sixteen attacks in various parts of Palestine were reported. Pamphlet bombs spread messages reading: "With fire and blood Judea has fallen; with fire and blood Judea will rise."

OPINION/LETTERS

Turn That Noise Down, You Voluble Solipsists

By George F. Will

WASHINGTON — Pursuant to the Motion Picture Production Code's mandate that "no picture shall be produced which will lower the moral standards of those who see it," the script of "Casablanca" (1942) was changed, the word "like" replacing "enjoy" in what was originally this line for Captain Renault (Claude Rains): "You enjoy war. I enjoy women."

America has liberated itself from not only such pettifoggery but also from what is now considered the tyranny of taste. So, is everyone happy?

Not exactly. There is a certain troubling lack of refinement in Dennis Rodman's America, a lack linked to three linked ideas: Distinguishing between liberty and license is incipient fascism; manners are servants of hypocrisy; concern for appearances and respectability is a craven treason against self-expression, hence not respectable.

The eclipse of civility is a fact fraught with depressing significance, as explained in the autumn Wilson Quarterly, in essays by Richard Bushman, a Columbia University historian, and James Morris of the Woodrow Wilson International Center for Scholars. The gravamen of their arguments is: A coarse and slatternly society — boom boxes borne through crowded streets by young men wearing pornographic T-shirts and baseball caps backwards; young women using, in what formerly was called polite society, language that formerly caused stevedores to blush — jeopardizes all respect, including self-respect.

Mr. Bushman says the young American nation had to overcome the fear that gentility, the product of an elite culture, put common people at a disadvantage, hence compromised democracy. But as American lives became less and less governed by austere material conditions and austere religious codes, rules of gentility supplied governance for human nature's unruly impulses.

Mr. Bushman defines gentility as "a compulsion to make the world beautiful," beginning with the individual and extending to the home — a piano on a carpet in the parlor; polished walnut furniture; ceramic dinnerware — and to parks and museums to elevate the public's taste. Gentility stimulated a market for many of capitalism's goods, and capitalism democratized gentility by making those goods affordable.

As urban density came to a formerly frontier society, Mr. Bushman writes, "the premium on simply getting along in public grew." There were uniformed ushers in theaters, sometimes distributing printed rules of decorum, such as not talking during the performance. Behavior was better when cinemas were opulent. Bring back the printed rules for the boors whose minimalist manners are suited to today's "multiplexes."

Time was, writes Mr. Morris, Americans understood that rules of civility do not just smooth surfaces, they "inscribed the soul."

Today America is a nation of "voluble solipsists," chatting away on cellular phones in public, unconcerned for privacy or dignity. Or safety. A bumper sticker: "Hang up and drive." Mr. Morris warns:

"In this age of 'whatever,' Americans are becoming slaves to the new tyranny of nonchalance. 'Whatever.' The word draws you in like a plumped pillow and folds round your brain: the progress of its syllables is a movement toward ... a universal shrug. It's all capitulation. No one wants to make a judgment, to impose a standard, to act from authority and call conduct unacceptable."

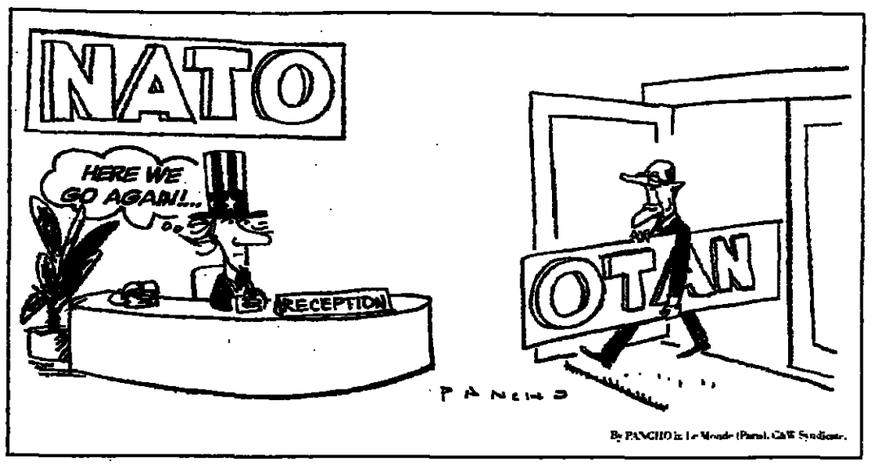
In the imperturbable cool of the 1990s, writes Mr. Morris, "sights that not long ago would have left audiences openmouthed with wonder leave them droopy-eyed with boredom. To every age, perhaps, its proper surfeit: In old Rome, worried impresarios probably cut deals for more spears, more tigers, more Christians."

Today's is not the "honest coarseness of frontier settlers removed from society and struggling with bears and the seasons." It occurs in a land where plenitude inflames the sense of entitlement to more of almost everything, but less of manners and taste, with their irritating intimations of authority and hierarchy.

Today, Dennis Rodman. What next?

Whatever.

Washington Post Writers Group.



By PANCHO in Le Monde (Paris). CWS Syndicate.

LETTERS TO THE EDITOR

Unocal Responds

Regarding "Bad Business in Burma" (Editorial, Dec. 17):

The logic of the editorial, and its call for Unocal to withdraw from Burma, escapes me. If history has shown us anything, it is that economic isolation only causes chaos, suffering and hardship for the very people it is intended to help. It does nothing to improve living standards, promote democracy or advance human rights.

But the Yadana natural gas pipeline project between Burma and Thailand is doing just that. It is creating jobs, new industries and new opportunities for the 35,000 people who live in the pipeline area — an extremely poor and undeveloped region of Burma. Unocal and its project partners are providing improved medical care, new and refurbished schools, electrical power and agricultural development programs.

The Yadana project — a joint venture of Unocal, Total of France, Thailand's PTT and Burma's MOGE — has adhered to strict standards covering employment practices. Contrary to some reports, there has been no forced or conscripted labor on our project. The New York Times editorial implies that a railroad has been built by conscripted labor to "transport government troops to protect the pipeline." But there is absolutely no connection between this railroad and construction of the Yadana pipeline. The railroad right-of-way runs perpendicular to the pipeline, and the railroad itself will not be completed until long after the pipeline is up and running.

Unocal's withdrawal from the Yadana project would serve only to reduce U.S. influence in Burma. It would also further marginalize U.S. influence with the Association of South East Asian Nations and Asian nations that have commercial and diplomatic contacts with Burma. Our departure would certainly not foster democracy or improve human rights.

The best way for America to advance Burma's transition to democracy is to remain engaged and involved in the nation's economic development.

ROGER C. BEACH.
El Segundo, California.

The writer is chairman of the board and chief executive officer of Unocal Corp.

Diplomatic Territory

Regarding "Negotiations Yield No Solution in Peru" (Dec. 20):

The article about the hostage crisis in Lima states that the ambassadorial residence is "legally Japanese territory."

While diplomats, their missions and private residences are usually treated as if they are not within the territory of the receiving state, the legal fiction that diplomatic grounds are foreign territory is now rejected. International law merely recognizes the inviolability, not the extraterritoriality, of the diplomatic premises. The 1961 Vienna Convention on Diplomatic Relations confirms this and provides that the diplomatic mission and residence may not be entered by agents of the receiving state without the consent of the head of the mission.

BRADFORD TREBACH.
New York.

Shocking Political News

Regarding "A Winding Trail of Green Leads to the White House" (Opinion, Dec. 20) by William Safire:

So politics in the United States are about raising money in ways that skirt the edge of legality (and sometimes fall over that edge).

Gosh, I never knew that. I guess this really must be a new thing. And, of course, conservatives and Republicans don't do it. Ulysses S. Grant, Warren Harding and Richard Nixon, among others, must be turning in their graves.

PHILIP G. CERNY.
Leeds, England.

Pacifist No More

Regarding "A McTheory About War-Making" (Opinion, Dec. 9) by Thomas L. Friedman:

I used to consider myself a pacifist, but after reading Mr. Friedman's McTheory that no two countries possessing McDonald's restaurants would ever go to war against each other, I can't help wishing that such countries *would* declare war against each other — and target their missiles exclusively on each other's McDonald's.

That way there would be one less, instead of one more, McDonald's every three hours.

WOLFGANG ZUCKERMANN.
Avignon, France.

New York Has Rewound To a Better, Safer Time

By Richard Cohen

NEW YORK — The car was parked on East 84th, near the intersection with Park Avenue, and in the window was a sign that said "No Radio." At one time, such signs were common here — "No Radio," "No Nothing," "Everything Stolen" — but it had been a long time since I'd seen one.

MEANWHILE

How could the car owner not have heard? A wonderful thing has happened to New York. It has rolled back the years. In terms of murder, it's 1968, but it feels like the 1950s, when crime was an inconvenience, like the weather, and not a mortal threat that circumscribed your life. New York was never all that safe — this is Gotham City, after all — but rarely has it been as dangerous as it recently was.

The change has been dramatic, virtually miraculous and — to be perfectly honest — a bit inexplicable. The mayor, Rudolph Giuliani, is a former prosecutor who just hates the bad guys. He appointed a police commissioner, William Bratton, who started to make "quality of life" arrests. No drinking on the streets — that sort of thing. Earlier, as the chief of the transit police, Mr. Bratton had arrested fare jumpers and learned something amazing: A large number of them were armed. Arrest them for jumping a subway turnstile and you get them before they commit an armed robbery.

Mr. Bratton is the police commish no more, but the cops still practice what he preached, and crime remains amazingly low. Lots of people, especially the police, credit the police — and maybe they are right. Others point to dumb luck, trends in drug trafficking (fewer turf wars) and demographics — a dip in the number of young men.

Young men commit most of the crime, and much of their crime is violent. The numbers of young men will soon be starting on the way up, and in the view of some criminologists we ain't see nothing yet. These kids are heartless beasts — gun-toting and remorseless. John J. DiIulio Jr. of Princeton's Center for Public Management has given them a name: "Superpredators."

Still, demographics can't explain everything. Crime is down almost uniformly and even Washington, in a virtually inexplicable *improvement, experienced a dip* in its murder total in 1995 — and then, because it is traditional, the number of murders resumed its march upward. But the New York figures are so startling — the number of murders dropped by half over the past five years — that something other than demographics must be at work.

Until we are told otherwise, we can only conclude that the cops made a difference. In some respects, this runs counter to the conventional wisdom — the belief that cops could be pretty good at catching criminals but were powerless to stop crime before it happened. This was the consensus in many scholarly journals and, as usual, there were studies to back up the thesis: Cops really don't matter all that much.

Now it seems otherwise. Bust someone for jumping a turnstile or drinking in the street and, most important, take his gun away and you're likely to get him before he commits a more serious crime. Do that often enough and criminals stop carrying guns.

But in addition to sending a message to criminals, such tactics send a message to ordinary citizens as well. Once again, they feel that the rules of society apply to all of us — that you can't spit on the street, put your feet up on the subway seats, play your radio too loud, get drunk in public or, even, make a nuisance of yourself by lunging into traffic to "clean" the windshields of cars.

For a frequent visitor, the change in New York is not limited just to statistics. You can sense it on the street — those vanished "No Radio" signs, for instance, and the absence of car alarms going off in the night. People are no longer admonished not to walk here or go there. And Central Park, where that poor jogger was gang-raped and nearly bludgeoned to death in 1989, went the entire year without a single homicide. The city has made the most wonderful sort of progress — backward to a better time.

Where have you gone, Joe DiMaggio?

The Washington Post.

BOOKS

FERMAT'S LAST THEOREM
Unlocking the Secret of an *Ancient Mathematical Problem*

By Amir D. Aczel. Illustrated. 147 pages. $18. Four Walls Eight Windows.

Reviewed by Richard Bernstein

HERE'S a scene that almost surely took place in Paris more than half a century ago: At a Left Bank cafe near the Sorbonne, Ernest Hemingway sits at a table trying to write, but he is bothered by the noise of a group of mathematicians arguing heatedly over matters that Hemingway, and most of the rest of us, cannot understand.

Hemingway leaves to go to some less favorite haunt. The mathematicians stay, and, though not celebrated for their presence in Left Bank cafes, they are participating in a grand cultural history even older than Hemingway's.

The scene, plausibly imagined in Amir D. Aczel's "Fermat's Last Theorem," reminds us that the world has many worlds, with the priestly cult of mathematicians, so mystifying and inaccessible to most people, among the more esoterically interesting of them.

Those mathematicians in Paris are among the many groups identified and described by Aczel as he traces the various stages of thought devoted to solving the mathematical puzzle known as Fermat's Last Theorem. This was named for a 17th-century French jurist and amateur mathematician, Pierre de Fermat, and solved, to great fanfare, by Andrew Wiles of Princeton University a couple of years ago.

Actually, Aczel, who teaches statistics at Bentley College in Waltham, Massachusetts, has written a tale of buried treasure, the treasure here being immaterial, intellectual, of no practical benefit, but rooted in the pleasure of pure knowledge.

About 1637, Fermat wrote his famous theorem in the margins of a Latin translation of a book by the third-century Greek mathematician known as Diophantus. But, as Aczel shows, the origins of the problem of concern to Fermat trace back to the ancient Babylonians, which is what gives his account of its solution its historic sweep.

His book is modestly but lucidly presented, most (though not all) of the technical material understandable to people with only a smattering of mathematical skill. This is a captivating volume even when it comes to those few passages that you might not entirely understand.

"What is interesting about Fermat's Last Theorem," Aczel writes, "is that it spans mathematical history from the dawn of civilization to our own time. And the theorem's ultimate solution also spans the breadth of mathematics."

Fermat was one of the mathematical geniuses whose brief biographies are scattered throughout Aczel's book, a figure who had developed the main ideas of calculus 13 years before the birth of Isaac Newton, who, along with Leibniz, is usually credited with that achievement.

"Fermat was smitten by the charm of numbers," the author writes. "In them he found beauty and meaning." He loved to think up what he called "exceedingly beautiful theorems."

In 1637, while perusing Diophantus, whose historic importance is outlined by Aczel, Fermat apparently had one of those flashes of deep insight that have produced historic leaps in the field of pure math.

Everybody knew that it is possible to break down a squared number into two squared components, as in 5 squared equals 3 squared plus 4 squared (or, 25 = 9 + 16).

What Fermat saw was that it was impossible to do that with any number raised to a greater power than 2. Put differently, the formula x to the nth power + y to the nth power = z to the nth power has no whole number solution when n is greater than 2.

Fermat then wrote the phrase that has tantalized mathematicians ever since: "I have discovered a truly marvelous proof of this, which, however, the margin is not large enough to contain." The buried treasure, sought all these centuries, is the proof that Fermat said he had discovered but had no room to set down. In fact, when Wiles finally did prove that the theorem is true, he used techniques that could not have been known to Fermat, so whether the thinker of the 17th century really did have a solution to his problem cannot be known.

In any case, before describing Wiles's solution, Aczel plunges into history, starting with the Babylonians, who needed a formula for the distribution of land. Aczel moves on to Pythagoras, the secret number worshiper of the sixth century B.C., whose famous formula about the hypotenuse is directly related to the problem of squares.

He moves on to Archimedes, to Diophantus himself and then to mathematicians of later centuries like Carl Friedrich Gauss, Richard Dedekind and others, digressing interestingly here and there but usually keeping his eye on the main theme: Fermat's last theorem as an example of the world of enigma and beauty made up by numbers.

As Aczel gets into modern times, he describes some intrigue and double-dealing in the international world of mathematical speculation. Some of this involves the more difficult material the author presents.

ONE wishes, for example, that he had devoted a few more lines of explanation to the significant issue of modules and elliptical curves, which were crucial to Wiles's solution. It is not enough simply to say that "modular forms are more specific elements over the complex plane than are the automorphic functions of Taniyama," and then move on.

Still, the brilliant back-door method used by Wiles as he reached his solution, along with the debt he owed to many other contemporary mathematicians, is graspable in Aczel's lucid prose.

Equally important is the sense of awe that Aczel imparts for the hidden, mystical harmonies of numbers, and for that sense of awe alone, his slender volume is well worth the effort.

Richard Bernstein is on the staff of The New York Times.

BRIDGE

By Alan Truscott

THE diagramed deal was played in June when the Tavistock Country Club, in Haddonfield, New Jersey, celebrated its 75th anniversary. Dr. Gerry Keenan as South picked up a remarkable freakish hand and opened two hearts, using traditional strong two-bids.

The discovery that his partner could respond positively in clubs was not of great moment, and South decided to settle in six hearts. This gave up the chance of reaching an easy grand slam if North held the diamond ace, but that card would not have been easy to locate. West doubled, a poor action, since it was wildly unlikely that both his aces would score. If they did, he would do well without doubling.

As it happened, six hearts was in jeopardy, and six diamonds was safer. But few South players would consider playing the minor-suit slam. Luckily for South, West picked the wrong ace as his opening lead. He chose the spade ace, and South was happy to ruff and draw trumps.

When a low diamond was led, West could have snatched his ace, but he was still hoping to defeat the contract. When he played low, South won with the jack, threw all his remaining diamonds on the club winners and claimed his doubled slam with an overtrick.

If West had selected the diamond ace as his opening lead, he might well have continued with another diamond and given his partner the decisive ruff. A second diamond is not totally obvious, but it is the right play and it would have vindicated the dubious double.

NORTH
♠ 8 4 3 2
♡ —
◇ J 7 6 2
♣ A K Q J 3

WEST (D)
♠ A Q 8
♡ 8 6 4 2
◇ A 9 4
♣ 8 8 5

EAST
♠ K J 10 9 7 5
♡ 9
◇ 10
♣ 10 9 7 4 2

SOUTH
♠ —
♡ A K Q J 10 7 5 3
◇ K Q 8 5 3
♣ —

East and West were vulnerable. The bidding:

West	North	East	South
Pass	Pass	Pass	2 ♡
Pass	3 ♣	Pass	5 ♡
Dbl.	Pass	Pass	Pass

West led the spade ace.

By maintaining a far-flung network of news-gathering resources, the World's Daily Newspaper brings you unrivalled coverage of world politics, business and economics, as well as science, technology, travel, fashion, the arts and sport — all from an international perspective.

Take advantage of this limited opportunity to try the International Herald Tribune with a low cost, 2-month trial subscription and enjoy delivery to your home or office every morning.

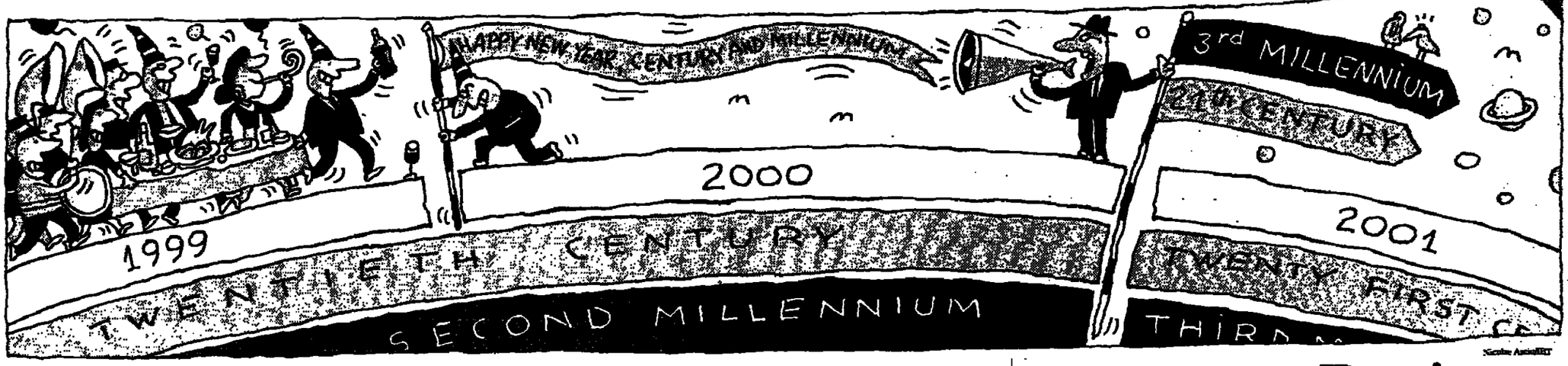
COUNTRY/CURRENCY		2 MONTHS NEWSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	ATS	1,456	650	55%
BELGIUM	BEF	3,380	1,350	60%
DENMARK	DKK	780	360	54%
FINLAND	FIM	624	310	50%
FRANCE	FF	520	210	60%
GERMANY*	DEM	182	72	60%
GREAT BRITAIN	£	47	22	53%
GREECE	DR	18,200	9,100	50%
IRELAND	IRC	52	26	50%
ITALY	ITL	145,600	58,000	60%
LUXEMBOURG	LFR	3,3800	1,350	60%
NETHERLANDS	NLG	195	78	60%
NORWAY	NOK	832	390	53%
PORTUGAL	ESC	11,960	5,000	58%
SPAIN	PTAS	11,700	5,000	57%
SWEDEN	SEK	832	350	58%
SWITZERLAND	CHF	166	66	60%
ELSEWHERE	$	—	50	—

* For information concerning hand delivery in major German cities call toll free IHT Germany at: 0130-84 85 85 or fax (069) 9712 6311.

3-1-97

Yes, I would like to start receiving the International Herald Tribune.
☐ My check is enclosed (payable to the IHT)
☐ Please charge my:
☐ Amex ☐ Diners Club ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard
Credit card charges will be made in French Francs at current rates.
Card No: Exp. Date:
Signature:
For business orders, indicate your VAT No:
(IHT VAT Number FR74732021126)
Mr/Mrs/Ms Family Name:
First Name: Job Title:
Mailing Address:
City/Code:
Country:
Home Tel No: Business Tel No:
E-Mail Address:
I got this copy of the IHT at: ☐ kiosk ☐ hotel ☐ airline ☐ other
☐ I do not wish to receive information from other carefully screened companies

Mail or fax to: International Herald Tribune
181, avenue Charles de Gaulle, 92521 Neuilly Cedex, France.
Fax: +33 1 41 43 92 10
OR CALL +33 1 41 43 93 61
In Asia: +852 29 22 11 88. In the US (toll-free): 1-800-882-2884.
E-Mail No: subs@iht.com
Offer valid for new subscribers only. HA2M



Hurry, Hurry, Hurry! Sign Up Now for Millennium Parties

By William Grimes
New York Times Service

NEW YORK — It's a matter of record that humans cannot resist the primal urge to celebrate wildly when another year goes down the tubes. When it's a year, a century and a millennium all at once, mass madness takes hold, a frantic desire to greet the new dawn from an unusual vantage point.

It's not enough to have a party. It must be atop a tower or a mountain, in a triple-swanky hotel or restaurant at a location throbbing with mystic vibes, or simply some place impossibly, millennially, remote.

There are a few shortsighted travelers left who do not know what they are doing on New Year's Eve in 1999. David Banford is not one of them. When the odometer of our spinning orb ticks over for the year 2000, Banford, a British investor in small businesses, will be floating off Barbados aboard the Queen Elizabeth 2, with 99 other members of his special club.

He will toast the New Year and the new millennium with champagne that has been awaiting the grand occasion since 1982, the year that he and a group of old school friends put down a $10,000 deposit to reserve 50 double cabins and lay down some serious Bordeaux, ports and Champagnes.

Banford may be unusually organized, but he is not eccentric, as cruise lines, top-flight hotels and tour packagers all over the world can attest. "We've been receiving letters for at least 10 years," said Pam Carter, a press officer for the Savoy Hotel in London. The hotel, which has taken enough names to fill the hotel twice over, will draw names from a hat, probably in 1998, to assign rooms.

The Millennium Society, a nonprofit organization in Washington, has been holding warm-up New Year's Eve parties since 1984. It will sponsor Countdown 2000 celebrations at notable spots in each of the world's 24 time zones, including the Great Pyramid of Cheops and the Golden Gate Bridge.

If you've been dreaming idly of New Year's Eve at the Pyramids, start fantasizing about Plan B. Abercrombie & Kent, the adventure travel company, has already sold out its Egypt-Nile package, which includes a New Year's Eve party at the Pyramids. Their India-Nepal tour, with New Year's at the Taj Mahal, has also sold out. Ditto Kenya-Tanzania, with New Year's Eve among the beasts at the Ngorongoro Crater.

In the geographical tussle, Greenwich, England, holds a distinct edge, as the home of the Prime Meridian, which passes through the center of the transit instrument at the Old Royal Observatory. An organization called Millennium Central has submitted plans to the Greenwich Council for an exposition center on the site of a derelict gasworks.

ROOM FOR LOTS OF BUSES

It's a big exposition center. The proposed Millennium Dome, big enough to hold 13 Albert Halls or 3,300 London double-decker buses, would present a yearlong exhibition organized on the theme of 12 of the world's time zones.

More quietly, the National Maritime Museum in Greenwich has organized "The Story of Time," an exhibition scheduled to open in November 1999 and run until about September 2000. Using paintings, documents and artifacts from around the world, it will show the ways that time has been measured.

Among the artifacts are "bits of string with significant knots in them," said Kristen Lippincott, the director of the museum's millennium project, explaining that the knot method was once used by Polynesians to measure time. "I think theirs is different in tone," she said, referring to the Millennium Dome exhibition. "It's more razzmatazz and hands-on, whereas ours is intellectual and object-oriented."

Norris McWhirter, the chairman of Millennium Adventure Co., has locked up the rights to the highest hill on Pitt Island, New Zealand, which he has described as "the first terrestrial, accessible and populated place to usher in the next 1,000 years."

Travelers willing to dispense with "accessible" and "populated" have signed up for Mountain Travel-Sobek's trip to Antarctica, where the year 2000 dawns first.

In Scandinavia, event organizers and city officials are betting that tourists will settle for New Year's north of the Arctic Circle.

Step forward, North Cape (Nordkapp), a rocky promontory in Norway with only one thing going for it: it is the northernmost point in Europe.

In millennial terms, that spells money. Facilities have been arranged for 1,200 visitors to attend a New Year's concert at North Cape Rock, where a large cave will serve as the main stage. "There's also a chapel built into the mountain, in case anyone wants to get married that night, and we're building a bridal suite at the cape itself," said Geir Kolstrom, the chief organizer of the event. "The sun won't rise until Jan. 21, so that might be a wedding night for the record books."

Some revelers prefer fire to ice. An unidentified man from San Francisco has booked most of the 42 rooms in Volcano House, a small hotel about 10 feet from the edge of the Kilauea caldera in Hawaii Volcanoes National Park. If you can't sit atop a television tower, it seems, the only alternative is to scale a mountain or roam to the ends of the earth. Mountain Travel-Sobek has nearly sold out its New Year's treks to the Galapagos Islands and Mount Kilimanjaro.

Sydney pumped up New Year's 1996 as a way to advertise the city's role as host of the 2000 Olympic Summer Games. A fireworks display that amounts to a near bombardment of Sydney Harbo has increased firepower each year. "We want to show off the best face of Sydney as the first major world city to cross the dateline," its mayor, Frank Sartor, proclaimed recently.

HOGMANAY BASH Edinburgh did not invent civilization, but in a daring conceptual leap, it is demarcating its slice of the millennial pie by reminding the world that Scotland, so to speak, owns New Year's.

"Auld Lang Syne," please recall, is a Scottish song. For the past three years, the city has sponsored a huge bash called Hogmanay, as New Year's is known in Scotland. Hogmanay is now one of the largest outdoor events in Europe. It drew 350,000 visitors last year with a varied program of concerts and sporting events, most of them free, over five days, with a torchlight parade through the city to top off the festivities. About 400,000 people are expected this year. For the millennium, who knows?

The Japanese, who did not adopt the Western calendar until 125 years ago, do not even have a word for the millennium. Nevertheless, in May the Nippon Travel Agency, one of the country's largest, announced a 28-day Pacific cruise from Yokohama to Hawaii that will cross the international dateline at midnight, Dec. 31, affording travelers "the earliest dawn of the year 2000 on the globe."

About 430 passengers have signed up for the cruise at a top price of $49,000.

The city of Paris has adopted a policy of nonrecognition toward the event. Perhaps the third millennium will engage its attention. Blasé, of course, is a French word.

In America, by contrast, some go-ahead hotels and restaurants have seized the initiative. In Long Beach, California, the Queen Mary has planned a large celebration devoted to the theme of travel through time. Each salon on the ship will be decorated to evoke a distinct period in the 20th century, with music to match. The Grand Salon will be devoted to the future. The cost for a room, two tickets to the party and dinner is, of course, $1,999.99.

For New Orleans, the millennium can't come soon enough. At Antoine's, the Japanese Room has been booked since 1985, and a table for 12 is being held for Melvin Belli, the trial lawyer, who will probably not be attending, since he died in July. "His friends are coming and there will be one empty chair for him," said Kermit Cosse, the restaurant's associate general manager.

THOSE who haven't booked for Dec. 31, 1999, can take heart, and indulge in some malicious glee, in the waning hours of the century.

As the party horns begin to blow, and the champagne corks pop from Patagonia to the Gobi Desert, the nonplanners can savor a secret thought: It's not the millennium, fools. Researchers at the Royal Greenwich Observatory, responding to hundreds of inquiries on the matter, issued a statement earlier this month explaining that because there is no year zero in the Gregorian calendar, the millennium will actually begin when midnight strikes on Dec. 31 of the year 2000. Sorry, Mr. Banford.

As Holy Year Nears, Italians Brace for Hordes of Tourists

By John Tagliabue
New York Times Service

ROME — The Lombard invasion of northern Italy in the sixth century caused the inhabitants of towns around northern Adriatic cities to take refuge in the lagoons where Venice's graceful palazzi now stand and its quiet canals flow. So it is probably not surprising that a people so shy of hordes is upset by the prospect that the year 2000, the Holy Year the Pope has declared to celebrate the second millennium, may confront them with new waves of invaders.

The fear of many in Venice, and in such other Italian tourist centers as Florence, is that the overflow from the millions of pilgrims drawn to Rome for Holy Year will swamp them with the touristic equivalent of the high waters that have engulfed Venice during most winters of late.

Catholics usually gain special indulgences by visiting Rome during a Holy Year and performing certain devotions, such as visiting St. Peter's Basilica or other main basilicas such as St. Mary Major, St. John Lateran or St. Paul Outside the Walls. The Pope inaugurates this Holy Year with a solemn Mass, often celebrated on Christmas Eve of the preceding year (in this case 1999). He will also open the holy door of St. Peter's Basilica, which has remained bricked up since the last Holy Year in 1975, and close it again at the end of the year; the dates for those ceremonies have not yet been set. Other rites, usually including special papal audiences, beatifications and canonizations, are also celebrated, but no schedule of events has been issued.

What concerns Venetians in particular about Holy Year is that in recent years religious tourism to Rome has already been swollen by millions of Roman Catholics from lands like Poland and Croatia who were once locked behind the Iron Curtain, but are now free to travel. A glance at a map of Italy shows that Venice is the first major Italian city these pilgrims encounter as they wend their way south to Rome, cramped in narrow tour buses. So earlier this month, Venice's Mayor, Massimo Cacciari, announced that for the year 2000 the city was considering requiring reservations for tour groups. "If the floods are not channeled," said Cacciari, using metaphors appropriate to his city, "we all risk capsizing."

Thus far Venice appeared to be copying steps taken last summer by Florence to limit to 150 the number of buses allowed in its historic center at any one time. But Cacciari went further: In the year 2000, he said, it might even be necessary to require individual tourists to make reservations or risk being denied entry to Venice.

"NO VACANCY" To be sure, the mayor's proposal is far from set in concrete. And already there is an outcry of opposition. Venetian newspapers jokingly imagined the city hanging a "No Vacancy" sign on the causeway that links it with the mainland.

The differences underscore the narrow path Italian officials tread in trying to balance hospitality for the millions of extra visitors that are expected and the obvious inability of ancient cities like Venice, Rome and Florence to accommodate them. In a sense, the worry for Mayor Cacciari and other officials is not a new one. With growing affluence and mobility throughout Europe, these cities have long been confronted with mounting numbers of low-budget tourists — backpacking students, but also Eastern European visitors on shoestring finances who clog the city but spend little in its restaurants, museums and high-priced shopping streets.

Thus, the problem is not one confronting the luxury hotels — the Danieli and Gritti Palace in Venice or the Excelsior and Hassler in Rome — that report slight early demand for New Year's Eve 2000, but otherwise few or no early reservations for the year. Instead, it is a problem for city officials who must find ways to control the numbers of visitors if their cities are to survive the smothering embrace of modern mass tourism.

In Venice, officials have occasionally limited access to vehicles on the causeway that links the city to the mainland and, in an effort to relieve congestion in narrow lanes, introduced one-way pedestrian traffic.

In Florence, a fee is now charged for visits to the octagonal Baptistry in front of the Duomo, and turnstiles enable church officials to control the flow of visitors to the glorious domed cathedral itself. The city's strategy has also included opening some museums at night, staging crowd-pleasing outdoor activities in the slower winter months and encouraging Florentines to open their apartments to bed-and-breakfast visitors.

In Venice, the mayor says he is considering a kind of tourist center that would gather requests for bookings in Venice from around the world and be able to apportion available space. Cacciari based his proposal on a report presented in the early 1990s by researchers at the University of Venice that said the city could absorb about 22,000 visitors daily without risk of overtaxing transport and restaurants. However, at peak times like Carnival and the heavily trafficked weeks of spring, as many as 100,000 visitors a day have descended on Venice.

BEFORE reaching a final decision, the mayor has commissioned a further study on the year 2000 by private researchers, and has proposed to other northeastern cities, such as Trieste, that a system of ferries transport tourist buses from that port across the Adriatic Sea to Ancona, Ravenna and other destinations, skirting Venice and its environs.

In Rome itself, the approach of the Holy Year initially spurred grand pronouncements of public works to prepare the city for the onslaught. A third subway line was to be dug to link the Vatican and the Coliseum, and the highway skirting the Castel Sant'Angelo along the Tiber River was to go underground. The whole thing was to cost about $3.7 billion. But as so often in Rome, political infighting, a shortage of money and a failure to start planning punctually pushed most of these grand projects under the table.

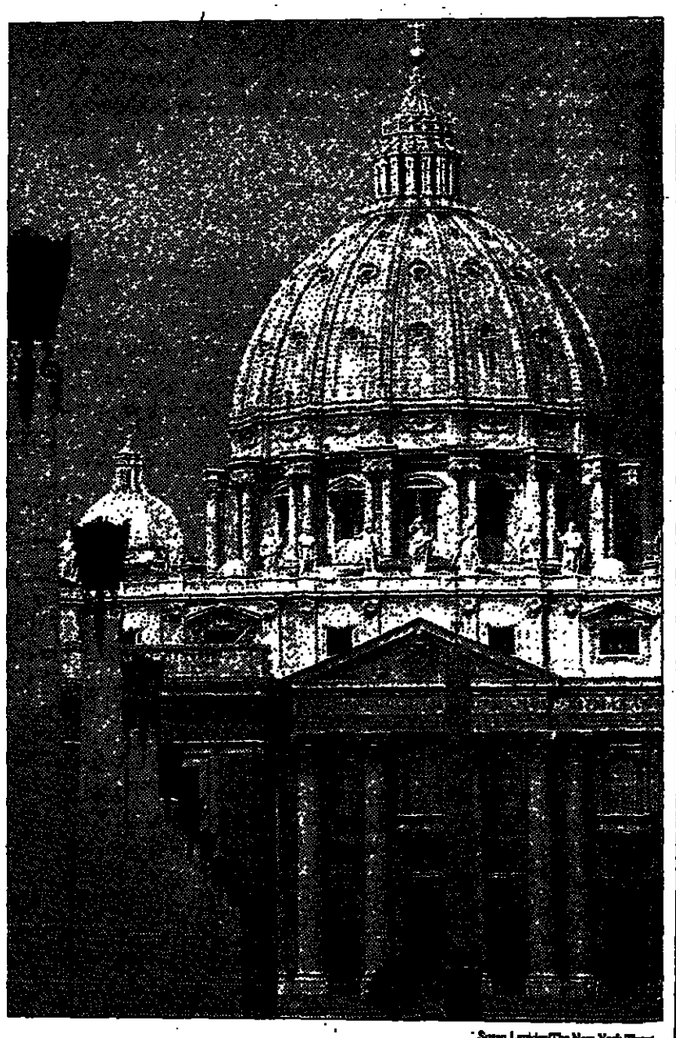
RELIEVED ROMANS

Many Romans were relieved. The city's finances still suffer from the profligacy of the World Cup soccer finals that were staged here in 1990, when hundreds of millions of dollars were spent on additional subway stations that have since been closed for lack of passengers, and an airport rail terminal near the Ostiense train station that remains unused.

Now the intention is to concentrate on modest improvements: training guides and other tour operators, creating hostels for those who cannot spend much for the night and developing an information system. The price tag now looks more like $1.4 billion. Francesco Rutelli, Rome's mayor, says the money will also go for things like new buses, restoration of some of the Tiber bridges and necessary road work. Additionally, the province of Rome will create accommodations for about 2,000 people in campgrounds and hostels.

A lingering problem, of course, is that nobody knows how many additional visitors will actually be lured to Rome for the Holy Year. This month, Luigi Zanda, the official in Rome responsible for organizing the Jubilee, presented official estimates predicting that roughly 46 million visitors will come to Rome in 2000, about double the number that came last year. But some are skeptical.

"It's clear there will be neither 40 million, nor 30 million, nor 20 million pilgrims," the financial daily Il Sole-24 Ore said recently. "Not even the prospect of gaining indulgences would prevail over that of facing a voyage into such an inferno."



Susan Lapides/The New York Times

St. Peter's Basilica, a magnet for tourists during Holy Year in 2000.

DINING

From the Provinces to Paris, 'Immediate' and Enthusiastic Cuisine

By Patricia Wells
International Herald Tribune

PARIS — From the very beginning, we should have known that Pierre Gagnaire would always be different. During his rise to stardom in a happy, skylit restaurant in the dreary city of Saint Etienne, not far from Lyon, during the early 1980s, he always seemed like the classmate who had the most fun as well as the most trouble sitting still.

After just a moment with him you'd find your mind reeling with ideas. He never even tried to contain his enthusiasms or energy and soon his menus and his plates were chockablock with sensory stimulation. It was a style of cooking he called "cuisine immediate," and we swooned over his tempura of langoustines, delicately fried and served with a cinnamon-infused beurre blanc and his astonishing, rich chocolate souffle, so creamy he called it a soup.

Even then, before his newsmaking 1992 move to a stunning Art Deco mansion in the same town and the subsequent bestowal of the coveted triple Michelin crown, you did not go to Gagnaire's to fuel your body, but to partake of a roller-coaster sort of culinary voyage.

While Gagnaire stayed much the same, the world changed. Saint Etienne was too far to go for lunch or for dinner. The days of wacky gastronomic pilgrimages were over. And Saint Etienne is not Lyon and not the sort of place to applaud a chef that offers a cheese course made up of runny Brie, a cream of Roquefort with aged port, supple vacherin and soft white raisins. Just give me a wedge of Camembert, the locals seemed to be saying. Gagnaire got the message and so did his bank, and last year he went into receivership.

Feeling a bit like the sacrificial lamb, Gagnaire packed up his staff and his talents, traveled north to Paris, and reopened in November, taking over the elegant, modern and bright steel-blue and silver restaurant in the Hotel Balzac near the Arc de Triomphe. The tall, lean, blond chef has not lost a gram of his energy or excitement and you still want to spray a dose of Valium on him to reduce his enthusiasm to a more human level. Nor has he toned down his cuisine, which is still filled with artistry, audacity and rich, classical flavors.

OFF TO A GOOD START Here, diners feast on not one, but four or five baby starters, with single-bite portions of a simple tartare of tuna with leeks and mushrooms or cubes of calf's foot bathed in a rich ravigote. His menu is vast and complex, mixing unexpected flavors, such as foie gras, dried figs and buckwheat galettes or sole, quince juice and tarragon.

The best dish sampled at a recent dinner included a first-course feast of raw, thinly sliced black truffles and baby artichokes bathed in a jerusalem-artichoke cream. The marriage was perfect, with intense, deep, flinty flavors of the winter earth, a triumphant trio of flavors that were miraculously echoed by sips of a 1994 white Chateauneuf-du-Pape from Chateau de Beaucastel. In a close place for second was a lasagne of black truffles and mozzarella, a dish that played up the plainness of the pasta, the rich creaminess of the cheese and the dominant flavor and texture of the truffle.

Less interesting was the braised Saint Pierre with its skin crisp and fried, topped with a thin, slice of Corsican ham, a dish that was for me more fuel than ecstasy. But it was saved by a soothing portion of polenta topped with a warm and inviting Broccio ricotta cream.

The dessert list is extensive, with souffles flavored with chocolate, honey or tamarillo, as well as a procession of tiny desserts that are downright explosive, including a trio of tropical fruit sorbets, baby tarts bathed in a puckery creme de cassis, and an apple tart with rich vanilla ice cream.

The setting here is elegant, the service still finding its rhythm, and Gagnaire is there to prove he's a three-star chef who's here to stay.

Pierre Gagnaire, 6 Rue de Balzac, Paris 8; tel: 01-44-35-18-25. Closed all day Saturday and Sunday lunch. All major credit cards. 450-franc lunch, 490-franc dinner and 790-franc tasting menu. A la carte, 500 to 750 francs per person, including service but not wine.

MOVIE GUIDE

ONE FINE DAY

Directed by Michael Hoffman. U.S.

In "One Fine Day," an appealing, if overcooked romantic comedy, the harried single parents George Clooney and Michelle Pfeiffer meet each other on the most stressful day of their lives. He's a well-known tabloid newspaper columnist in New York, she's an architect. They both find themselves with too much to do — and no child care for that day. Already annoyed with each other, they reluctantly negotiate with each other to split the parenting. Meanwhile, Pfeiffer's son and Clooney's daughter get up to their own mischief and work on setting up their parents — almost "101 Dalmatians"-style. The bubbly, screwball antagonism between the grownups amounts to a cute-a-thon, in which two household names attempt to better each other in the adorable scale. Unfortunately, the kiss that will bring them together, and satisfy the rabidly romantic audience, takes a minor eternity. Don't be surprised to hear people yelling, "Kiss him already!"

(Desson Howe, WP)

Gemma LaMana

Mae Whitman, Clooney, Pfeiffer in "One Fine Day."

BEAVIS AND BUTT-HEAD DO AMERICA

Directed by Mike Judge. U.S.

"Beavis and Butt-head Do America," the nastily amusing feature film debut of those tittering, pig-snorting MTV cartoon groundlings, finds the duo coping with the worst of all possible fates: the theft of their precious television set. Unable to soak in music videos from morning till night, and unable to sleep without the drone of television to lull them, America's most libidinous couch potatoes leap at the first job opportunity that presents itself. When a sinister thug named Muddy hires them to fly to Las Vegas and "do" his ex-wife, Dallas, for $10,000, they fail to realize that "doing" someone in Muddy's vocabulary isn't the same thing as doing someone in theirs. It won't be long, these chronically dateless dodos gloatingly assure each other, until they are virgins no more. Beavis and Butt-head, who first mooned their way into American living rooms three years ago, might just be the ultimate symptoms of the decline of Western civilization via television. Then again, they just might not. What gives Beavis and Butt-head some claim to universality isn't their smug stupidity as much as a hormonal desperation so acute that when they find themselves on a tour bus filled with nuns, Butt-head exclaims, "Hey, Beavis! We're on a bus with chicks!" They distill the agony of adolescence, the queasy feeling of being trapped in a body going through monstrous changes, at the same time that they purge it of its terror.

(Stephen Holden, NYT)

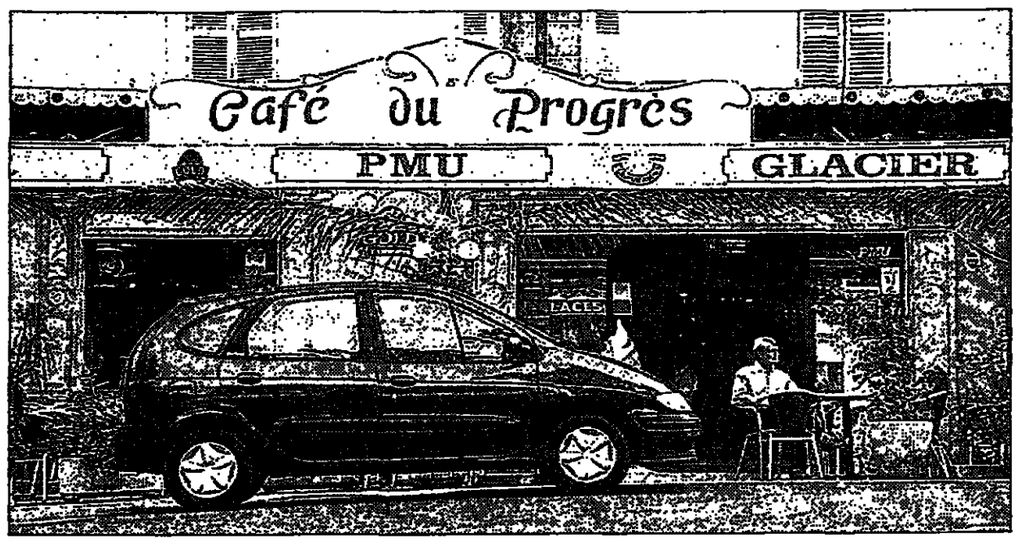
A LEAP OF FAITH

Directed by Tricia Regan and Jenifer McShane. Ireland.

One of the hardest lessons to learn in a world where publicity-seeking politicians propose dramatic instant solutions for every conceivable problem is that positive change usually comes about slowly and requires a sustained commitment to a goal whose achievement is far from guaranteed. "A Leap of Faith," a soft-spoken documentary film about the establishment of the Cranmore Integrated Primary School in Belfast, offers an inspiring case study of people planting a small seed of hope in the bleakest of political climates. The film is narrated by Liam Neeson, who gives a concise, carefully balanced history of the troubles in Northern Ireland. The movie goes on to follow the creation of an elementary school in which Roman Catholic and Protestant children are educated side by side. The sensible theory behind Cranmore is that these children from different religious backgrounds won't grow up seeing each other as enemies, and so the cycle of suspicion and hatred perpetuated by a religiously segregated school system will be broken. Guided by Helen Farrimond, Cranmore's idealistic principal, a group of volunteers, including parents, began refurbishing a rundown Victorian building three years ago. But to gain a state subsidy, the school had to recruit an equal number of Protestant and Catholic students. And the camera follows the indefatigable principal around Belfast as she literally knocks on doors for the cause. In its first school year, Cranmore was able to enroll only 37 students. Coincidentally, during its first four months of operation, sectarian violence flared in Northern Ireland, leaving 43 people killed. As the worst of these terrorist acts are shown in news clips, one begins to sense the fragility of the little oasis that is Cranmore. One of the strengths of the film is its avoidance of a piously goody-goody tone.

(Stephen Holden, NYT)

THE CAR COLUMN



Get a Horse? Why Not a Scenic?

By Gavin Green

MAYBE car bosses really are thick. After all, why has it taken the best part of 100 years to come up with a sensibly shaped car in which to carry people? Since Chrysler in America (with the Voyager) and Renault in Europe (with the Espace) first figured it out, the rest of the world's carmakers seem to be falling all over themselves to jump on the people-carrier bandwagon.

The fact that these new-wave vehicles, booming in popularity on both sides of the Atlantic, are called people carriers is enough of an indictment. After all, what were all cars, if they weren't people carriers? In truth, they were better at carrying engines or luggage than they were people.

The first cars, 100-odd years ago, weren't really cars at all; they were just carriages minus a nag or two and usually with a vibratory little engine under the driver's bottom. You can't really blame the early carmakers for starting with the existing mode of transport, the horse-drawn carriage. More reprehensible was that it took so long to throw the horseless-carriage concept away. In many ways, we're still paying the price.

The existing car dashboard, for instance, is a direct throwback to the old carriages. In the old days, the dash kept off splashes of mud. Nowadays, it is usually just a big ugly plank of plastic full of mostly useless gauges and gadgets. Just as useless is the trunk that, broadly speaking, takes up as much fore-aft space as the passenger compartment and is usually empty anyway.

The people carrier or MPV (multipurpose vehicle) or minivan or monobox moves away from the box at the front (engine), box in the middle (people), box at the back (luggage) straitjacket in which we've been stuck. Instead, all the fore-aft length, or at least most of it, is devoted to people.

The new Renault Scenic takes the breed a stage further. It is small for a people carrier, of Escort or Golf size. It is also a five-seater, rather than a seven-up, Renault eschewing a third row of seats in order to give as much space as possible for the rest. The upshot is that five adults can sit in a Scenic in great comfort.

ADJUSTABLE AND VERSATILE

Compared with an equivalent hatch, the Scenic is also marvelously versatile. The rear seats are fore-aft adjustable, varying the ratio of rear-seat room to luggage space behind. The middle rear chair can be taken out completely. In their backmost position, the little Scenic has as much legroom as a limo.

Like all MPVs, the high roof makes for generous headroom, so you sit upright, as in an armchair, rather than the usual semi-reclined position as in most small sedans or hatches. The big glass area makes for a generous view of the scenery, helped by the high seating position.

The downside of most MPVs is the trunk — or lack of it. While it's true that trunks are empty most of the time, they are occasionally useful. On the Scenic, there is quite a reasonable trunk area behind the rear chairs. The luggage area is especially useful, though, owing to an ingeniously novel "double-decker" shelf system. The rear parcel shelf, which covers the trunk, can also be repositioned lower, as a shelf allowing the trunk to be double stacked. You can thus carry your dog on the top shelf and your shopping underneath, effectively doubling trunk capacity.

Renault Scenic 2.0. *About $24,000. Four-cylinder engine, 1998cc, 115 BHP at 5,400 rpm. Top speed: 185KPH (115 MPH). Acceleration: 0-100 KPH in 11.1 seconds. Average fuel consumption: 8.8 liters/100 KM.*

LIKE most MPVs, the Scenic owes its mechanicals to another bigger volume model — in this case the Megane. Engines, gearboxes and suspension are all Megane carryovers, as is the dash. It's a shame about the latter because the Scenic would be more desirable if it used the dash to carry something useful, rather than a lot of plastic and instruments.

In every other way, the Megane ancestry involves little sacrifice. Indeed, the Scenic — despite its extra height — handles as well as a normal Megane hatchback and rides better. There has never been an MPV that drives more like a conventional car, so easing the path into this new form of motoring for even the most conservative of drivers.

Next: Ford Mondeo

Gavin Green is the editor in chief of Car magazine.

'Seamless' Trip, Distant Promise

By Roger Collis
International Herald Tribune

WHY can't business travel be more like a package holiday? I don't mean in the sense of being bundled and herded as a group on a preordained itinerary — although that may have its attractions. But having a courier to shepherd you through every phase of the trip, scanning the latest information on flight delays and traffic conditions and ready to alter the schedule if needed. This is the notion of "seamless" travel, the managed journey. All you should need to worry about is enjoying your holiday. Or getting on with your business. Business travelers want to manage their business, not manage their travel.

The ultimate in seamless travel would be beaming in executives by satellite. Next best is your own corporate jet with limos at either end and a gaggle of vice presidents to iron out problems along the way — the ease, flexibility and comfort of private travel. You choose the airport, avoiding megahubs when possible. You drive up to the steps of the plane; pass smoothly through customs and immigration. Client cancels a meeting, palace revolution back home at the corporate Kremlin, inclement weather, divert to another airport, no problem. You travel to your own schedule: you are in control.

Travel tends to be fairly smooth when you are moving through the air or over the ground; most problems occur at times in between when you are waiting for a travel segment to start — waiting for a taxi, checking in at the airport, waiting in the lounge for disingenuous information on flight delays, finding a gate or just fighting the crowds — the interfaces between the journey's stages, or the seams.

SMOOTHING OUT THE SEAMS It's great to be wined and dined at 35,000 feet. But what if the plane is three hours late or diverted to another airport? Who is going to smooth out the seams? Alleviate the misery? What business travelers need is a "managed" journey — being looked after every step of the way by an invisible hand, a "virtual" courier.

This is possible with information technology. The new Nokia 9000, for example, looks like a regular mobile phone but opens to reveal a personal computer that lets you send and receive E-mail and faxes, even surf the Internet. It will log calls, take messages, answer prearranged calls with voice messages or divert calls to other numbers. Linked with the latest smart card technology, phones like Nokia can serve as your PDA (personal digital assistant), allowing you to conduct a galaxy of electronic transactions. This is the means by which your virtual courier could keep you informed of the ever-changing realities of your schedule.

The problem is that airlines and other travel suppliers market only specific travel segments or products. None, except for package tour operators, are interested in accepting responsibility for the traveler throughout the whole journey, which means that travelers are forced to manage their own journeys.

Business travel agencies nowadays call themselves "travel management consultants." "We're in the business of managing information for clients," says

The Frequent Traveler

Richard Lovell, vice president Europe at Carlson Wagonlit Travel. But what travel agencies call travel management has to do with travel planning, negotiating deals with suppliers, management of travel budgets, corporate travel policies. A good travel agency can plan and book complex itineraries, they are expert at "creative ticketing." But their service usually ends as soon as the trip begins. O.K., you have a 24-hour hotline; but once you're on the road, nobody is going to call you to say that your flight from Mogadishu has been canceled and they've rescheduled you through Johannesburg with everyone along the way duly notified. Total journey management is an unrequited business opportunity. Will someone not come forward to ease the ordeal of the long-suffering traveler?

Airlines do, of course, smooth out many of the seams for high-yield passengers, with limos to the airport from home or office, "fast-track" facilities at airports, executive lounges, both on departure and arrival, and telephone check-ins. VIPs and CIPs (commercially important people) are met by "special services" reps, fed and watered and ego-massaged, and shepherded through the formalities. Pay a whopping £6,446 for a round-trip BA Concorde ticket from London to New York and you can (probably) expect an airline car to meet you at the steps of the plane to catch a tight connection. But this is a long way short of total journey management.

THE CODE-SHARING IDEAL

The airlines claim that code-sharing (whereby two or more airlines use the same "designator" or flight number) with an alliance partner provides seamless travel. The idea is that you can check all the way through with a sheaf of pre-issued boarding passes. If you miss a connection, you're not just left standing there. Someone will be waiting for you at the gate and figuratively take you by the hand. You and your bags will be automatically rechecked for a later flight. On arrival, airline staff will meet you and take you to the hotel (booked through the airline), which will have kept your room, even if you show up 12 hours late.

Code-sharing sometimes takes the form of the "double designator," whereby two or more airlines operate the same flight, and "block seat" arrangements, whereby one airline sells seats under its own code in another airline's cabin. Such is the case with Delta, which sells seats on Virgin Atlantic between London Heathrow and New York; and Sabena, which sells seats on Virgin Express flights between Brussels and Heathrow. We can expect to see more airlines sharing the same plane with their own fares, flight attendants, and inflight cusines and service.

THIS leads to the concept of the "virtual" airline (along with "virtual" alliances). After all, who needs to own aircraft and the accompanying infrastructure and overhead when you can you "brand" your own section of someone else's plane.

Mike Platt, commercial director of *Hogg Robinson Business Travel in London*, envisages travel agencies like his own buying blocks of airline seats (and hotel rooms) and marketing them under their own brand to corporate clients. State-of-the-art data-base marketing — by which you can pinpoint the needs and habits of individual travelers, along with the latest in information technology, and you have a prescription for total journey management — a customized and constantly edited trip schedule.

Hotel Squeeze in Hong Kong

By Christopher Reynolds
Los Angeles Times

THE whole world will be watching when Britain hands over Hong Kong to China at midnight on June 30, and for thousands of travelers it's apparently not enough to watch from a distance.

Tour operators and hotel representatives say travelers are rapidly grabbing up Hong Kong accommodations for the island's last six months as a colonial outpost and for the first days following the hand-over.

"We just don't have enough space to sell," says Peter Yeung, president of New Jersey-based Pacific Bestour. The company sent about 16,000 Americans to Asia in 1996, and is forecasting a 20 percent increase in 1997, thanks largely to the Beijing takeover and increasing popularity of Yangtze River cruises.

"When I pull up June 22 to 30 [on the computer that looks for flight availability by date], I get nothing but zeros," said Cynthia Klein, travel agent at Your Travel Center/Carlson Wagonlit in Goleta, California.

All this interest in Hong Kong comes amid widespread fears that China's leaders could crack down on the high-priced, high-flying lifestyle of the long-time British colony, which holds one of the world's greatest concentrations of skyscrapers and one of the highest ratios of Rolls-Royces to people. Leisure travelers are clearly drawn by the prospect of participating firsthand in a historic transaction, even if the outcome is uncertain. And the travel industry is capitalizing on that attraction.

At Hong Kong's Marco Polo and Prince hotels, where lowest rates for last fall were listed at about $250 a room, changeover packages require stays of at least five nights at about $330 nightly. At the Hong Kong Hotel, part of the same chain, a $265-a-night double room, its cheapest, will leap to about $415. And these, industry insiders say, are relatively conservative increases. Routinely, tour operators say, prime Hong Kong properties are charging changeover rates at $300 to $500 a person a night. Sometimes, breakfast is included.

After hearing of those rates and searching her computer for June flights, Klein, the travel agent, was delighted to find a package arranged by the tour-packaging arm of Asiana Airlines. Rates begin at $1,997 a person for five nights' lodging, breakfasts and round-trip coach air fare between Los Angeles and Hong Kong. She doesn't expect the openings to last long.

At San Diego-based Japan & Orient Tours, which takes about 10,000 Americans to Asia yearly, Hong Kong has been the focus of a three-year strategic planning effort: Every chance it got, the company blocked more hotel rooms for the transition. "It was a big gamble, but it has paid off," says C.J. Dennett, vice president for marketing. "We have had tremendous interest."

HANDOVER TOUR By late December, the company had blocked more than 300 rooms in eight Hong Kong hotels and was offering them as part of a "Historic Handover Tour." About half of the available spots have been taken already, Dennett says, and another surge in reservations is expected in January. Prices range from about $2,600 a person for five nights in Kowloon's Park Hotel (double occupancy) to $4,800 a person for six nights in the posh Mandarin Oriental Hotel.

ARTS GUIDE

BRITAIN

LONDON

Victoria & Albert Museum, tel: (171) 938-8349, open daily. Continuing/To Jan. 26: "American Photography 1890-1965 from the Museum of Modern Art in New York." From Jacob Riis to Diane Arbus, 185 images by American photographers.

FRANCE

PARIS

Centre Georges Pompidou, tel: 01-44-78-12-33, closed Tuesdays. To April 7: "Face a l'Histoire." Features paintings, drawings, sculptures, photomontages, installations and videos by Beckmann, Dali, Chagall, Klee, Picasso, Fautrier, Beuys and Boetti that reflect the artists' vision of the major political events of the second half of the century.

Grand Palais, tel: 01-47-03-12-50, closed Tuesdays. Continuing/To Jan. 20: "Picasso et le Portrait."

GERMANY

COLOGNE

Josef Haubrich-Kunsthalle, tel: (221) 221-23-35, closed Mondays. Continuing/To Jan. 12: "Star Trek: The Exhibition." A behind-the-scenes look at the famous television series with a display of original artifacts, models and costumes.

UNITED STATES

NEW YORK

Whitney Museum of American Art, tel: (212) 570-3633, closed Mondays and Tuesdays. Continuing/To Feb. 23: "New York Dada: 1915-1923." A comprehensive study of the group of New York-based artists who formed the American branch of the Dada movement. Includes works by Marcel Duchamp, Man Ray and Francis Picabia, among others.

WASHINGTON

Smithsonian Institution, tel: (202) 357-4880, open daily. To April 6: "Art of the Persian Courts." Nearly 100 paintings, manuscripts, drawings, works of calligraphy and objects, dating from the 14th to 19th centuries. The exhibition examines the literary and pictorial traditions supported by the Persian courts and highlights the influence of Persian culture across the Islamic world, including Iraq, Iran, India and Central Asia.

CLOSING SOON

Jan. 5: "Now We Are 64: Peter Blake at the National Gallery." **National Gallery, London.**

Jan. 5: "Mysteries of Ancient China." **British Museum, London.**

Jan. 5: "Bridging the City." **Royal Academy of Arts, London.**

Jan. 5: "Grand Tour: The Lure of Italy in the Eighteenth Century." **Tate Gallery, London.**

Jan. 5: "Victor Horta." **Palais des Beaux-Arts, Brussels.**

Jan. 5: "Life/Live." **Musee d'Art Moderne, Paris.**

Jan. 5: "Georg Baselitz." **Musee d'Art Moderne, Paris.**

Jan. 5: "De L'Impressionisme a l'Art Nouveau." **Musee d'Orsay, Paris.**

Jan. 5: "Manet bis Van Gogh: Hugo von Tschudi - Der Kampf um die Moderne." **Alte Nationalgalerie, Berlin.**

Jan. 5: "Marianne und Germania, 1789-1889." **Martin-Gropius-Bau, Berlin.**

Jan. 5: "Felix Thiollier: Alltag. Landschaft, und Architektur Frankreichs in Photographien." **Staatsgalerie, Stuttgart.**

Jan. 5: "Max Beckmann in Exile." **Guggenheim Museum SoHo, New York.**

Jan. 5: "Scaasi: The Joy of Dressing Up: A Retrospective." **The New-York Historical Society, New York.**

Jan. 5: "A Fine Line: Rembrandt as Etcher." **The Pierpont Morgan Library, New York.**

Jan. 5: "Faberge and Finland: Exquisite Objects." **The Corcoran Gallery of Art, Washington.**

Jan. 5: "Degas: Beyond Impressionism." **The Art Institute, Chicago.**

Jan. 5: "Crossing the Frontier: Photographs of the Developing West, 1849 to the Present." **Museum of Modern Art, San Francisco.**

Jan. 5: "Adolph Menzel, 1815-1905: Between Romanticism and Impressionism." **National Gallery, Washington**

Jan. 6: "Vassily Kandinsky: La Revolucion del Lenguaje Pictorico." **Museu d'Art Contemporani, Barcelona.**

Jan. 6: "Lucio Fontana: Retrospective." **Palais Liechtenstein, Vienna.**

Jan. 6: "Gli Ingegneri del Rinascimento." **Palazzo Strozzi, Florence.**

Jan. 6: "Le Retour des Anges: Baroque des Cimes en Bolivie." **Chapelle de la Sorbonne, Paris.**

HOLIDAYS AND TRAVEL

French Riviera

CANNES, superb house, sleeps 7. Walking distance beach/Croisette. Garden, pool, maid/cook. Tel: +33 (0)493129105.

Hotels

Lebanon

HOTEL AL BUSTAN. East of Beirut. 5 star deluxe. Exceptional location, security, comfort, fine cuisine, conventions, business services, satellite TV. 18 min transfer from airport free. UTELL. Fax (+1) 212-4781391 / (+33) (0)1-47200007

U.S.A.

BREATHTAKING VIEW OF NEW YORK, 20 ft. glass wall. Central Park & City. Luxuriously furnished: piano, fax, cable. For business, musician or honeymoon couple. 1 block to Carnegie Hall, 2 to Letterman, 5 to Lincoln Center, Museums, Theaters. Weekly, Monthly, 3 day weekends (minimum) or long term. Tel./Fax: 212-262-1561 USA.

Holiday Rentals

Caribbean

ST. BARTHELEMY, F.W.I... OVER 200 PRIVATE VACATION VILLAS - beach-front to hillside with pools. Our agents have inspected all villas personally. For reservations on St. Barts, St. Martin, Anguilla, Barbados, Mustique, the Virgin Islands... Call WIMCO/ISBARTH - U.S. (401)849-8012/fax 847-8290, from FRANCE 05 90 16 20 - ENGLAND 0 800-89-8318

DISCOUNT TRAVEL

LE COMPTOIR BLEU
FREE DELIVERY OF YOUR TICKETS ALL THIS LEAVING FROM PARIS
REGULAR FLIGHTS RT :
New York/Montreal 2,070 F
Tel Aviv 1,490 F
Cuba 3,090 F
Ph. (0) 1 • 46 • 56 • 40 • 40
MADEIRA 2,660 F
Flights RT+ Hotel 4* 8 days/7 nights + half board
CYPRUS 2,340 F
Flights RT+ Hotel 5* 4 days/3 nights + breakfast
NORHT INDIA TOUR 6,770 F
Flights RT+ Hotels 3* 10D/7N + breakfast + visas
TAHITI+MOOREA 7,900 F
Flights RT+ Hotel 3* 10 days 7 nights + breakfast
YEMEN TOUR 7,720 F
Flights RT+ Hotel 4* 8D/7N + full board + visa
MARRAKECH 2,540 F
Flights RT+ Hotel 5* 8 days/7 nights + half board
ISTANBUL 1,690 F
Flights RT+ Hotel 5* W-E 3 nights + breakfast
All fares taxes ... fees and included
36.15 BLEU DES INFOS EN DIRECT

Holidays and Travel

STUDY TOUR IN TAIPEI. Learn Chinese Language. Worldwide Agency Wanted! Tel. 886-2-5858511 Fax 886-2-5819880. http://www.greatlop.com.tw/studytour.htm

International Herald Tribune ads work

RESIDENCE HOTELS

PARIS
LES SUITES SAINT-HONORE
★★★★
13, rue D'Aguesseau, 75008 Paris
Just off the Faubourg Saint-Honoré and The Elysée Palace
A LUXURY APARTMENT HOTEL RESIDENCE
Very exclusive, located in one of the most prestigious neighbourhoods: Faubourg Saint-Honoré and Champs Elysées.
Thirteen personalized large apartments up to 1200 sq. feet completely restored in 1992 with fully equipped kitchens, living-dining rooms, as well as one or two bedrooms, one or two marble bathrooms and some with studies.
Ideal for both family holidays and business trips, a perfect "pied-à-terre".
All hotel services. Daily maid service. Air conditionning. Underground parking. Complete security.
For more information or reservations, please fax directly to:
+33 (0) 1 42 66 35 70 *or call* +33 (0)1 44 51 16 35

SKI HOTELS

AT THE FOOT OF THE AIGUILLES, LIVE IN THE SNOW IN A 4 STAR CHALET HOTEL

Le Jeu de Paume
★★★★
Hotel - Restaurant
Daily price: January 1997
Starting from FF 660.00
per person - half board
Le Lavancher, 74400 Chamonix Mont-Blanc
Tel: +33 (0) 4 50 54 0376 - Fax: +33 (0) 4 50 54 10 75

INTERNATIONAL

Lingering Snags on Hebron Accord Hold Up Israeli-Palestinian Summit

Compiled by Our Staff From Dispatches

GAZA CITY — Stubborn differences over a Hebron accord held up moves for a meeting of the Israeli and Palestinian leaders Thursday, despite new urgency given to concluding a deal by a shooting spree in the volatile city the day before.

President Bill Clinton's Mideast envoy, Dennis Ross, met with the Palestinian leader, Yasser Arafat, to try to bridge the gaps and arrange a meeting with Prime Minister Benjamin Netanyahu of Israel, but he apparently fell short.

"We have not solved all the remaining issues that still have to be resolved before having an agreement," Mr. Ross said after the meeting here. "We are continuing to work through the problems."

Mr. Arafat said after the talks that the meeting with Mr. Netanyahu had not been set. He added, however, that the two sides would meet "when the matters are completed and the talks finish and when we get close to the final agreement, which will be soon."

Before the meeting, the Palestinian information minister, Yasser Abed Rabbo, said there were "obstacles in the heart of the agreement," and Palestinian negotiators said Thursday that they would not sign any accord until Mr. Netanyahu committed himself to a detailed timetable for further troop withdrawals in the West Bank.

Mr. Netanyahu has told the Palestinians that the so-called "further redeployment" would begin within six weeks of the signing of a Hebron agreement, but he has not said by when it would be completed.

Jamil Tarifi, a Palestinian negotiator, said that the "most important thing for us are dates for the second and third stages of redeployment" in the West Bank.

Hopes for a meeting Thursday had been raised after a marathon negotiating session the previous evening in Tel Aviv attended by Mr. Ross and led by the Israeli defense minister, Yitzhak Mordechai, and Mr. Arafat's No. 2, Mahmoud Abbas.

Heading into the session, Mr. Abbas had predicted a signing "within 24 to 48 hours, if there are no bad surprises." But after that meeting, Mr. Mordechai said that while there was "agreement on the large majority of clauses," there were "still one or two which will be discussed Thursday by Netanyahu and Arafat."

David Bar-Ilan, Mr. Netanyahu's spokesman, accused the Palestinians of "stalling" in the negotiations because "they feel that the situation of no agreement favors them and is detrimental to us."

Israel and the Palestinians have been wrangling since Oct. 6 over a formula for a Hebron handover after Mr. Netanyahu's government demanded stronger guarantees for the 400 Jewish settlers who live among the city's 120,000 Palestinian residents.

Both sides underlined the need for a quick resolution of the talks after a rightist Israeli soldier opened fire on a crowded market in Hebron on Wednesday, wounding six Palestinians, in an effort to torpedo the accord.

Mr. Netanyahu called Mr. Arafat immediately afterward to condemn the attack, insisting the two sides had to reach a deal on Hebron. Mr. Clinton also called Mr. Arafat to urge him to "bear down and get it done with."

Under the 1995 Oslo accords, Israel was to pull its troops out of 85 percent of Hebron, the last major West Bank town under Israeli occupation, to allow Palestinian police to take their place and bring Palestinian administration over the entire city.

In addition to demands for an Israeli commitment to conduct more army redeployments from West Bank rural areas, talks have stuck over Palestinian demands for a role in guarding the Tomb of the Patriarchs, Hebron's central holy site.

The Israeli internal security minister, Avigdor Kahalan, also cited problems previously said to be closed, including Palestinian demands to reopen a main street running directly in front of another Jewish settlement that has long been closed by the army, and over security for Tel Rumeida, an enclave of seven Jewish families on one of Hebron's hills.

The United States said Thursday that it had received threats of increased terrorist attacks over the next two weeks in Israel and the West Bank, and warned Americans there to exercise caution.

"There are indications of an increased likelihood of terrorist attacks over the next two weeks. U.S. citizens are advised to exercise caution in public areas, to avoid travel on public buses, to avoid congregating at bus stops," said the State Department spokesman, Nicholas Burns. *(AP, AFP, Reuters)*

Nayef Hashlamoun/Reuters

A Palestinian in Hebron arguing Thursday with an Israeli settler in the West Bank city a day after an off-duty soldier opened fire on Arab shoppers in a market, wounding seven, in hopes of scuttling a pullout accord.

Soldier in Hebron Attack Sought to Avenge Deaths

By Joel Greenberg
New York Times Service

JERUSALEM — As new details emerged Thursday about his unstable emotional past, the soldier who shot up a Hebron marketplace Wednesday told investigators that he wanted to avenge the killing of a classmate kidnapped by Palestinians and the deaths of the militant Rabbi Meir Kahane and Baruch Goldstein, a Jewish settler who killed 29 Muslims at prayer in Hebron in 1994.

The police said they had arrested a second soldier in connection with the market shooting on suspicion of conspiracy and failure to prevent a crime. The soldier, Yuval Jibli of Jerusalem, served on the same base with Noam Friedman, the conscript who opened fire Wednesday and wounded seven people.

In separate court hearings Thursday, both soldiers were ordered held in custody pending further investigations by the police.

Brought before a judge in the town of Petah Tikva, Private Friedman repeated earlier assertions that he had acted to prevent an expected agreement on an Israeli Army withdrawal from most of Hebron.

Manacled and wearing a black skullcap, Private Friedman declared: "When I heard that the agreement was about to be signed to surrender the holy city bought for 400 shekels of silver by our forefather Abraham, I decided that this can't be passed over in silence."

According to Biblical accounts, the Jewish patriarch, Abraham, bought a burial plot in Hebron for his wife, Sarah, and was later buried there, along with his sons, Isaac and Jacob, and their wives. The Tomb of the Patriarchs shrine in Hebron, holy to Muslims and Jews, is the traditional site of their graves.

The police said that Private Friedman had told investigators that he acted to avenge the death of Corporal Nahshon Waxman, a soldier kidnapped in October 1994 by militants from the Islamic movement Hamas and killed during a failed rescue attempt.

The two soldiers had studied at the same religious high school in Jerusalem.

Sven Nackstrand/Agence France-Presse

Noam Friedman smiling as he sat in a police car after the shooting.

and Private Friedman visited the bereaved family a few times after Corporal Waxman's death.

Yehuda Waxman, the dead soldier's father, recalled Thursday that Private Friedman, then a civilian, had appeared very upset and had warned that the Palestinians were going to bring on another Holocaust.

"He was very agitated by Nahshon's murder," Mr. Waxman said. "He was very concerned about the attempts to compromise with the Palestinians. He had a fear that the Palestinians were going to take over, that we would lose the country and go into exile. He expressed feelings of revenge, and said that they can't do this to us, that the terrorism always comes from one side. I tried to calm him down."

The police said Private Friedman had also told them that he had wanted to avenge the death of the militant anti-Arab rabbi, Meir Kahane, who was assassinated in New York in 1990.

U.S. Poised for Decision on Land Mines

Supporters of Ban Fear Clinton Will Opt for Slow Track to a Treaty

By Dana Priest
Washington Post Service

WASHINGTON — The international campaign to ban anti-personnel land mines is at a crossroads, and President Bill Clinton will probably determine which way it goes.

Mr. Clinton is set to decide whether to join several dozen countries led by Canada that will begin next month to craft an international treaty banning the use, export, production and stockpiling of anti-personnel mines. Although China and Russia say they will not sign the pact, supporters of the treaty say that it would be a quick first step toward an eventual worldwide ban of the weapons, which are estimated to wound or kill 500 people each week.

The alternative for Mr. Clinton is to adopt a slower approach supported by the Pentagon and many in the White House. It calls for negotiating a ban through the United Nations Conference on Disarmament in search of a broad consensus shared by Beijing and Moscow, even though that is likely to take years to achieve.

About 50 countries have expressed initial support for the faster Canadian effort, known as the Ottawa Conference. Backers include some nations with the biggest land-mine problems, like Afghanistan, Angola and Cambodia.

The goal is to write a legally binding treaty that would be signed in December by as many countries as possible. Supporters hope that the agreement will stigmatize the weapons and that other countries eventually would feel compelled to sign, too. A first working session is set for February in Vienna. Belgium, Norway and Switzerland have offered to sponsor follow-up meetings.

Supporters of the treaty say that if Washington bows out, the pressure to participate will be off other wary countries, like Britain and France.

"What we're trying to do here is not capture the entire world, but establish a moral authority," said Robert Lawson, a top Canadian disarmament official.

The second track through the Conference on Disarmament, a famously slow international body, aims to create a ban that all member countries would sign. Critics and supporters alike acknowledge that it could take years to reach even a narrow agreement.

The Clinton administration is split on the subject, "in introspective disarray," as one disarmament official put it.

Some in the State Department favor lending U.S. prestige to the Canadian effort. But Mr. Clinton in the past has taken his cue on the issue from the Pentagon, which favors the slower approach.

Members of the National Security Council are said to be leaning toward the Pentagon's position. But a high-ranking council official suggested in an interview that it might be possible to pursue both tracks simultaneously by giving rhetorical support to the Ottawa Conference without committing to sign a treaty.

The nongovernmental organizations that have led the international campaign fear that a two-track strategy by the United States would be harmful.

"This is a humanitarian crisis, yet the U.S. is poised to make a policy decision that will slow down the momentum," said Stephen Goose, director of a Human Rights Watch arms control project.

There are an estimated 110 million land mines in the ground in 64 countries, and most of their victims are civilians. Land mines are popular among armies and insurgencies because they are cheap to buy but expensive to clear.

In May, Mr. Clinton endorsed the Pentagon-backed status quo position. It banned older "dumb" mines, except in the demilitarized zone between North and South Korea.

Although an immediate ban on all anti-personnel mines was endorsed by 15 retired generals, including General Norman Schwarzkopf, commander of U.S. troops during the Gulf War, Mr. Clinton followed the Pentagon's lead. Critics accused him of not wanting to rebuff the Defense Department during an election campaign.

Key commanders, who dominate the Pentagon's thinking on the issue, want a worldwide ban on the newer, self-destructing "smart" mines before agreeing to give them up. They argue that mines are crucial in "channeling" enemy troops and are an irreplaceable early warning against enemy approaches.

HEBRON: *Peace Process Survives Attack*

Continued from Page 1

mander long imprisoned in and then expelled from Israel. Mr. Rajoub was a regular devil figure in Mr. Netanyahu's campaign rhetoric.

Mr. Netanyahu accused two former prime ministers, Yitzhak Rabin and Shimon Peres, of "subcontracting Israel's security" to "thugs" and "terrorists" like Mr. Rajoub, who runs the Palestinian Preventive Security Service in the West Bank.

On Wednesday, Mr. Netanyahu's government did just what its predecessors did.

In the aftermath of Mr. Friedman's attack, the army and Shin Bet internal security service worked closely with Mr. Rajoub, inviting him to set up a command center in Hebron's Alia Hospital with Tariq Zayad, the designated police chief for Hebron after Israel's withdrawal, and the Palestinian Army commander, Abdel Fatah Jawadi.

Mr. Rajoub made sure he was seen in public working with Major General Uzi Dayan of the Israeli Army and Ami Ayalon, the Shin Bet chief, to calm the city.

According to Palestinian and Israeli sources alike, he sent plainclothes agents throughout the city to instruct stone-throwing youths to go home, and Mr. Jawadi personally sped to the scene of one riot to defuse it.

Mr. Netanyahu had the advantage of knowing that there was no Netanyahu in opposition — no mainstream leader to his right who would condemn him, as he condemned Mr. Rabin and Mr. Peres, for reckless reliance on Arabs instead of on Israel's own might.

A similar immunity permitted him to phone Yasser Arafat and condemn Mr. Friedman's shooting as a criminal act.

He used language that drew explicit parallels between Jewish and Arab terrorism, a comparison he has not uttered before, and he also spoke a formula he had ridiculed when offered by his predecessors. "No crime and no act of violence," he said, would deflect his government from negotiating peace.

Mr. Arafat, for his part, resisted many temptations Wednesday.

Mr. Friedman's attack took place on the anniversary of the founding of Mr. Arafat's faction, Fatah, of the Palestine Liberation Organization. Parades planned for the occasion, throughout the West Bank and Gaza Strip, were a ready-made occasion for fervent nationalism, and it would not have taken many hints from Mr. Arafat to turn them violent.

But Mr. Arafat chose not to speak at all at Gaza's parade, where he was the featured orator last year.

Further, Palestinian radio and television featured Mr. Netanyahu's apology for the attack.

Wissam Nassar/Agence France-Presse

Demonstrators in Belgrade talking with an opposition leader, Zoran Djindjic, right, during a rally Thursday.

BELGRADE: *Church Speaks Out*

Continued from Page 1

losevic's style of leadership from other Yugoslav institutions, including the army and the courts. In the opinion of many analysts, the only institution left that is vital to Mr. Milosevic's hold on power is the 80,000-strong police force, which is well-trained and disciplined.

"Milosevic has purposefully destroyed every authority and every institution in the country, with the exception of himself," said a former government official. "He has killed the middle class, the church, the media, the Academy of Sciences, the university, the army, the Supreme Court. He is the sole authority left."

■ Opposition Weighs New Tactics

The opposition leader Vuk Draskovic indicated that new ways of conducting the protests may be announced in the coming days, The Associated Press reported from Belgrade.

"Our battle for a democratic Serbia is entering a final phase," Mr. Draskovic said. "We won't be demonstrating on streets forever." He called on people to stage smaller rallies "behind the police cordons" because "the next few days will be crucial for our decisive battle."

Zairian Rebels Capture Key Town As Regime Vows Counteroffensive

Compiled by Our Staff From Dispatches

BUNIA, Zaire — Rebels seized the strategic town of Bunia in northeastern Zaire and nearby gold mines in a fierce battle with government forces that left hundreds dead, residents said Thursday.

"The fighting was terrible and there were bodies all over the streets," said a teacher, Pierre Lolo. "Those of us who had not already fled to the forest had to stay in our homes."

The city fell to the rebels, who are trying to carve territory out of the east, after a 12-hour battle on Dec. 24. The rebels said 307 government soldiers were killed while their own forces sustained 75 casualties.

Meanwhile, the government of Marshal Mobutu Sese Seko announced plans to rally the armed forces for a quick counteroffensive against the rebels, who have captured a large swathe of territory.

The eastern Zairian provinces of North and South Kivu have been in the hands of Tutsi-led rebels for two months.

The chief of the general staff will be granted "all necessary strategic and logistical means to carry out the counteroffensive by the Zairian armed forces in the shortest possible time," Defense Minister Likulia Bolongo said in a statement.

The statement made available to Agence Zaire-Presse said the counteroffensive would be "sweeping and crushing, without sparing any Zairian or foreign perpetrator who connives with the enemy." *(Reuters, AFP)*

New UN Chief Starts Assembling His Staff

Reuters

UNITED NATIONS, New York — In his first day as UN secretary-general Thursday, Kofi Annan of Ghana announced provisional appointments to his executive office, with Iqbal Riza of Pakistan named as chief of staff.

Mr. Riza was a peacekeeping official from Pakistan and is a former UN representative to Bosnia. In addition, Rolf Knuttson of Sweden, director of political affairs, and Patrizio Civili of Italy, director of economic and interagency affairs, were appointed to the executive office. They both worked for Mr. Annan's predecessor, Boutros Boutros Ghali.

Mr. Annan also named two executive assistants, Elizabeth Lindenmayer of France and Shashi Tharoor of India.

A spokesman, Fred Eckhard, said the new secretary-general was also considering appointing a deputy.

NATO: *In Hungary, Army Officers Are Learning the Western Way*

Continued from Page 1

cluding the chief of staff, General Ferenc Vegh, have gone to Britain, Canada, Germany or the United States for lengthy stints of study.

Considerable resources have been poured into English instruction, as well. In one innovation, Hungarian teachers of Russian were sent to the Defense Department English Language School in San Antonio and converted into English teachers.

General Vegh, 48, typifies what NATO and Hungarian officers hope will be a new breed of commander.

Trained at the Military College of Tank Units in Moscow in the late 1970s, General Vegh was sent to the Army War College and graduated in 1993, a year earlier than Colonel Nagy.

"The beauty of Ferenc Vegh is that he was trained on both sides," said an American military officer.

Adapting to true American style, General Vegh sent around a vision statement for all 72,000 members of the armed forces (down from 150,000 in 1989 and heading for 60,000 in 1997). The statement read right out of the textbook on Western management: "In the case of officers, warrant officers and noncommissioned officers, I consider commitment, knowledge, creative thinking, self-development, morality, strong mind, example-setting and healthy lifestyle to be basic values."

The general is also stunningly frank. Downsizing, lower pay, poor working conditions and lack of public respect for the military have severely affected morale. Those left in the army, he wrote, are "becoming more and more apathetic."

He also made his debut by unveiling a new slimmed-down command structure based on the American Joint Chiefs of Staff system. A 2,000-member top staff is to be trimmed to 600 soldiers, he announced. He then designated Colonel Nagy's 25th Mechanized Brigade to be the first Hungarian brigade to be NATO-ready.

By January 1998, Colonel Nagy and his men are supposed to be prepared to go on a NATO mission.

In Colonel Nagy, General Vegh chose an officer fascinated with the American military. On his bookshelves the colonel has a well-thumbed copy of "The Commanders" by Bob Woodward. A biography of President Franklin D. Roosevelt rests among a model of an Abrams tank and other American military equipment.

Before forming his brigade out of the shards of a much larger Hungarian unit, headquartered in Tata, 80 kilometers (50 miles) west of Budapest, Colonel Nagy said he went to one of the NATO bases in Germany, talked structure for a week and then modeled his brigade on what he had seen.

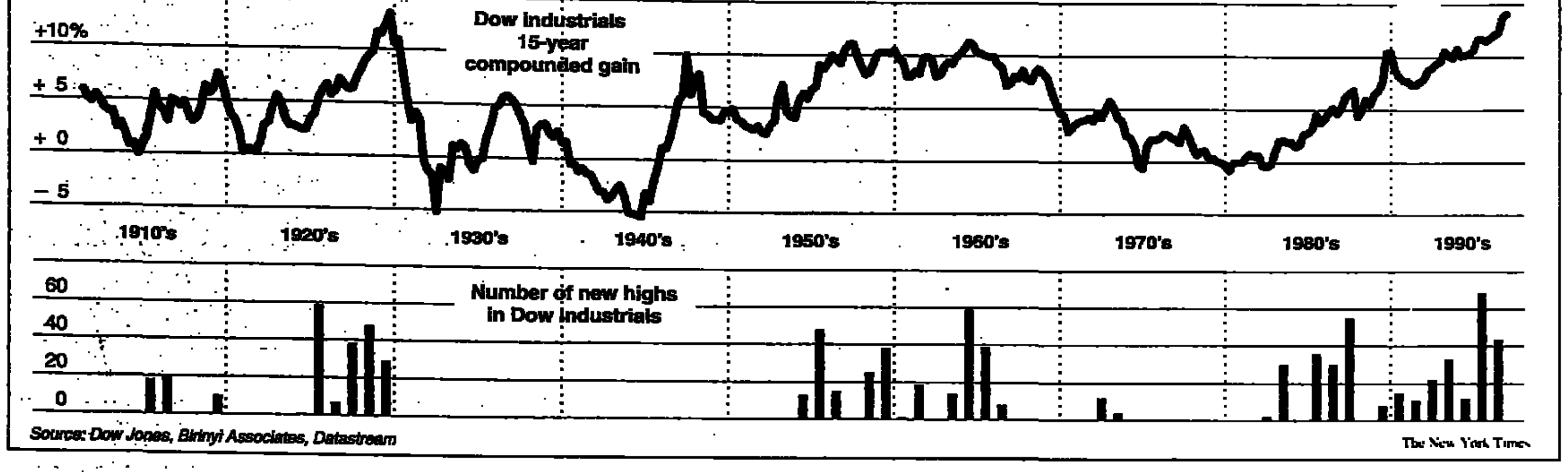
International Herald Tribune

BUSINESS/FINANCE

FRIDAY, JANUARY 3, 1997

A Record Run

Last year's rise of 26 percent in the Dow Jones industrial average was not unprecendented. In fact, it failed to match 1995's gain of 33.5 percent. But what is unmatched is how stong the market has been over the last 15 years. During the stretch, it has risen at a compounded annual rate of 14.2 percent a year, breaking the old record of 13.4 percent set just before the 1929 crash. Last year, the Dow hit 44 new highs. That, too, was down from the record 69 new highs hit in 1995. But it ran to eight the string of years in which the index hit at least one new high. Never before, in the 100-year history of the Dow, has the index managed such a string. The old record, of highs in six consecutive years, ended in 1929.



Source: Dow Jones, Birinyi Associates, Datastream

The New York Times

Stocks in 1997: How Long Can This Go On?

Profit Growth Holds the Key To Bull Market

By Floyd Norris
New York Times Service

NEW YORK — As bull markets go, the one the United States is in now has few equals. It could go on and on — if earnings keep rising, if baby boomers concerned about retirement continue to believe the stock market is the only possible investment, and if Federal Reserve Chairman Alan Greenspan doesn't decide to add action to his

WALL STREET WATCH

words about the possibility of shares being overvalued.

Earnings may be the most important key to the 1997 stock market. As companies' operating earnings have zoomed in the 1990s, they have allowed stock prices to rise almost without interruption while the ratio of prices to earnings remained within its normal range, albeit at the high end. With interest rates relatively low, that made it possible for some market analysts to argue that stocks were not overvalued.

That argument is still around, but it is more difficult to make.

Earnings growth clearly slowed for many companies in late 1996, and some say profits will grow at a much slower pace this year. If they grow at all, and if investors are still willing to pay 18 or 20 times earnings for the average company, then share prices can keep climbing.

But if earnings were the only key to the market, share prices probably would not have risen as rapidly as they have in the past couple of years. Another key is investor psychology, which has turned highly bullish. Based on recent performance, investors have good reason to be optimistic. The Dow Jones industrial average has just ended its best two-year period in more than 40 years, with a rise of 68 percent.

Those two years came at the conclusion of the best 15-year period in market history. Fifteen years ago, the Dow was settled comfortably below 1,000 points — about where it had been 15 years before that — and there were

See BULLS, Page 15

Bear's Lament: 'I Can't Stand It Anymore'

By Peter Truell
New York Times Service

NEW YORK — Oh, what a hard year it was to be a bear; and it is not getting any easier — notwithstanding a few recent market jitters, some less rosy forecasts for 1997 and a cautionary note from the chairman of the Federal Reserve Board, Alan Greenspan.

An old Wall Street saying holds that bear markets do not begin until there are no bears left, and many of the market's most prominent pessimists have said that a surfeit of good news forced them to put their worries aside — at least for now.

"I have the hoof marks of the bulls all over my back," David Shulman, equity strategist at Salomon Brothers Inc. and a renowned voice of caution, said before deciding to go with the upward flow in 1995. "It requires company to be bearish, and there are still very few people willing to take that view."

Other well-known Wall Street analysts have switched their views, too. Byron Wien, U.S. equity strategist at Morgan Stanley & Co., began talking about the potential for a stock-market correction in early 1996.

That forecast proved prescient when the market turned downward in June and July, but Mr. Wien said he expected the correction to go further.

By late September, the rebounding market had made his position difficult. "At the end of September, he just said, 'I can't stand it anymore,'" said Thomas McManus, an equity strategist and principal at Morgan who works with Mr. Wien.

"What it did was make him put his bearishness on the shelf."

"With 20-20 hindsight, everyone has probably been too bearish," Mr. McManus said. "Why didn't you mortgage the house to buy stocks? We have just had incredibly good markets. We have had better-than-average earnings recovery, a good bond market and a multiple-year expansion."

That is not to say there are no jitters. Barton Biggs, chief global strategist at Morgan Stanley, disturbed the markets in mid-December when he said he ex-

See BEARS, Page 15

World Markets Drop On Fear of Inflation

U.S. Economic Data Raise Worry That Interest Rates May Be Raised

Compiled by Our Staff From Dispatches

NEW YORK — Wall Street began 1997 on shaky ground Thursday as fears of higher inflation and interest rates sent stock and bond prices lower for a third consecutive day.

Stocks extended a slide that marred 1996's finish after several U.S. economic reports raised concern that interest rates may be headed higher.

The Dow Jones industrial average ended down 5.78 points at 6,442.49, recovering from a drop of more than 95 points early in the session. A round of bargain hunting in the final half-hour of trading recovered all but a few points of the Dow's drop.

The price of the benchmark 30-year U.S. government bond dropped 1 7/32 to 96 31/32, driving its yield up to 6.74 percent from 6.64 percent Tuesday. U.S. markets were closed Wednesday for New Year's Day.

"This may all turn out to be a storm in a teacup, but rising U.S. Treasury yields are daunting and will hold our attention," said Nick Parsons, a trader at Societe Generale Strauss Turnbull in London.

Robert Stovall, president of Stovall/Twenty-First Advisers, said, "There's nothing more fundamental than inflation expectations and interest rates. If something happens to make that less favorable, then bonds will lead stocks lower."

Analysts said the declines might signal the start of a tough year for stocks. The market rose 26 percent in 1996 and 33.5 percent in 1995.

The report that sparked the sell-off came from the National Association of Purchasing Management, which said its index of manufacturing activity rose to 54.0 in December, the highest in six months, from 52.7 in November. A reading above 50 indicates growth in manufacturing, while one below that level indicates contraction. (Page 12)

"Most people were leaning toward a slowing economy, but things look to be expanding faster than they thought," said Terrence Pigott, head of government bond trading at Daiwa Securities America.

The report also revealed that more manufacturers were paying higher prices, further fanning concern about inflation. The purchasing figures were the latest in a recent batch of data to contradict the moderating economic trend that had fostered hopes for continued low inflation and ignited financial markets in the second half of 1996. After November's unexpectedly strong showing, many economists had expected a slight drop in the purchasing data.

A pickup in manufacturing activity could indicate that wages will rise, which would increase in inflationary pressures by increasing product prices. The Federal Reserve Board has thus far held off on an increase in its key lending rates, which would help contain inflation by slowing the economy but could hurt stocks by cutting into consumer borrowing.

More investors are speculating that the Fed may raise bank lending rates soon to slow growth and restrain inflation. Expectations for the Fed's next change in rates are "shifting radically," said Michelle Laughlin, a Treasury market strategist at Prudential Securities in New York.

The fresh declines on Wall Street pushed European stock indexes, which were under pressure from Tuesday's decline, even lower late in the day.

In Britain, the Financial Times-Stock Exchange 100-share index fell 1.48 percent. The last time the index fell so far, so fast was on Dec. 6, when Alan Greenspan, chairman of the Fed, suggested U.S. assets might be overvalued, sparking a global sell-off.

Elsewhere in Europe, France's CAC-40 index fell 2.54 percent, the biggest one-day drop in 15 months, amid concern that slower growth in the United States will crimp sales at companies reliant on U.S. earnings.

Spain's IBEX index fell 2.64 percent, Germany's DAX index fell 1.38 percent, and Sweden's OMX index fell 1.37 percent.

In Hong Kong, meanwhile, the Hang Seng Stock Index lost 1.84 percent.

See STOCKS, Page 12

Sustained Profit for Technology Firms

By Lawrence M. Fisher
New York Times Service

SAN FRANCISCO — While thousands of American companies struggle to eke out small profit increases, as the United States rests in a trough of steady but slow economic growth, the technology industry has become a standout.

The companies that make computers, software and high-tech drugs are booming. Even better, rising demand and increasing exports suggest strong growth will continue, largely independent of the overall economy and, for many, even in times of recession.

The information-science industry is currently benefiting from a convergence of technological advances: the release of Microsoft Corp.'s Windows NT, the operating system awaited by business customers; ever more powerful Pentium and Pentium Pro processors from Intel Corp.; the shift to Intranets, which model internal computer networks on the technology of the global Internet, and new software applications that need all that power and connectivity.

At the same time, the customer base has become far more global, while the United States has remained the dominant supplier. Even the poorest countries see a need to invest, while stronger economies in Asia and Latin America can help balance swings in demand at home.

"We really do have a profound change in our economic model, from a mass-produced, consumer-based economy to a global, technology-based economy," said Michael Murphy, publisher of the California Technology Stock Letter.

Medical technology moves at a different pace from information science; product development times and product life cycles are measured in years rather than months. Nevertheless, growth is still driven by product innovation, which continues at a rapid pace. A handful of biotechnology companies became profitable in 1996 as their first drugs gained regulatory approval, and this exclusive club could grow rapidly in 1997, with as many as 30 new drugs nearing the market.

Innovative drugs and devices also drive double-digit growth at such established companies as Pfizer Inc., Merck & Co. and Johnson & Johnson. Since one new drug for a major disease can rapidly generate $1 billion or more in revenue, the growth potential here is enormous.

Analysts say that if growth slows in 1997, there would inevitably be some reduction in capital outlays, but history shows that most companies continue to invest in new technology because it is a strategic asset. Suppliers with hot new products can thus maintain growth even in a recession.

"The deployment of information technology infrastructure is a solution to becoming more efficient," said Thomas Thornhill, director of technology research at Montgomery Securities. "Companies that fail to invest through the down cycle will emerge in a relatively weaker position on the other side."

A new breed of corporate software applications that can help increase sales has proved especially compelling, according to Mr. Thornhill. Those applications in turn have driven sales of larger computers, as well as new operating system software and networking equipment.

In addition to product cycles, economic, political and demographic shifts are driving growth for technology companies. The transition to an economy based on information and communications from one based on manufacturing means even small companies can address a global market.

Roger McNamee, a principal in Integral Capital Partners, said the United States now faced an opportunity unmatched since 1946, when its powerful manufacturing base supplied the rebuilding of Western Europe.

"For a long time, the politics prevented you from selling to a lot of countries, even if they wanted to buy," he said. "Now every country is on a market economy, and they need infrastructure to attract capital. You find Third World countries putting in wireless telecommunications systems often before they put in running water and roads.

"We've gone from being able to sell to one-third of the world to selling to everybody." Mr. McNamee said, adding, "I believe technology will rise to about 15 percent of gross national product, from about 8 or 9 percent now."

Young customers will also lift technology sales, he said: "Everyone in college today was born after the Apple II shipped; they don't know a world without computers."

Tim Shaffer/The New York Times

Du Pont's optimistic John Krol.

U.S. Executives Alter Tactics: Revenue Growth Is New Goal

By Judith H. Dobrzynski
New York Times Service

NEW YORK — If the U.S. stock market of the past few years has been looking like the hare in Aesop's fable, sprinting jauntily ahead, the real economy — of cars and computers and health care — has surely been the tortoise, advancing steadily and slowly.

But the next 12 months, chief executives around the United States say, may turn out to be the year the tortoise has its revenge.

"The market is what scares me," said William Steere, chief executive of Pfizer Inc. "We're cautiously optimistic" about the economy.

Like Mr. Steere, chief executives interviewed recently said they believed the economy would keep plodding along in 1997. They agreed with economic forecasts pegging growth at around 2.5 percent, maybe as high as 3 percent.

They have few worries about a recession — even though the current expansion will turn six years old in March, becoming one of the longest postwar recoveries.

"Expansions don't die of old age," said John Krol, chief executive of Du Pont Co. "They are killed by shocks and imbalances, like a stock market crash, excessive inventories or high inflation."

With inventories under control and inflation in check, it would probably take a crash or a surprise external shock of the magnitude of the oil-price in-

See OUTLOOK, Page 13

CURRENCY & INTEREST RATES

Cross Rates

Jan. 2

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.73	2.9285	1.1234	0.3329	0.1141*	—	5.440*	1.2883	1.4957*	1.2595	1.332*
Brussels	31.87	54.2575	20.480	6.169	2.0965*	18.2595	—	23.615	0.2740	23.2375	24.075*
Frankfurt	1.5411	2.6334	—	0.2966	0.1017*	0.891	4.8539*	1.1464	1.3347*	1.127	1.1862*
London (a)	1.6908	—	2.6088	8.7895	2,565.037	2.926	53.7067	2.271	195.6113	2.323	129.4876
Madrid	130.351	222.114	84.288	24.999	8.573*	75.104	4.0911	96.537	112.634*	95.076	—
Milan	1,520.38	2,587.75	983.40	292.05	—	875.70	47.608	1,127.35	12.134	1,108.25	11.655
New York (b)	—	1.6930a	1.5435	5.284	1,519.80	1.7323	31.79	1.347	115.65	1.3758	130.86
Paris	5.2142	8.8301	3.3716	—	0.343*	3.0043	0.1636	3.8724	4.5065*	3.8030	4.00*
Tokyo	Closed										
Toronto	1.3761	2.3283	0.893	0.2649	0.0898*	0.7959	0.433*	1.0227	1.1191*	—	1.059*
Zurich	Closed										
1 ECU	1.253	0.7373	1.9485	6.5619	1,913.72	2.1847	40.1821	1.6943	145.848	1.7366	164.167
1 SDR	1.4482	0.8457	2.2366	7.5092	n.a.	2.4995	45.9048	n.a.	n.a.	1.9884	187.738

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	245.28	Mex. peso	7.885	S. Afr. rand	4.6825
Australian $	1.2626	Hong Kong $	7.7345	N. Zealand $	1.4152	S. Kor. won	844.55
Austrian sch.	10.878	Hung. forint	164.93	Norw. krone	6.4003	Swed. krona	6.8664
Brazil real	1.039	Indian rupee	35.87	Phil. peso	26.30	Taiwan $	27.49
Chinese yuan	8.3284	Indo. rupiah	2362.25	Polish zloty	2.87	Thai baht	25.70
Czech koruna	27.34	Irish £	0.6033	Port. escudo	154.97	Turkish lira	107775.
Danish krone	5.914	Israeli shek.	3.2462	Russ ruble	5747.13	UAE dirham	3.672
Egypt. pound	3.392	Kuw dinar	0.30	Saudi riyal	3.7505	Venez. boliv.	475.75
Fin. markka	4.6546	Malay. ring.	2.5265	Sing. $	1.3995		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7023	1.7010	1.6995	Japanese yen	115.44	114.79	114.25
Canadian dollar	1.3684	1.3660	1.3633	Swiss franc	1.3421	1.3383	1.3341
Deutsche mark	1.5428	1.5400	1.5369				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 2

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 1/2	2 15/16 - 3 1/16	1 13/16 - 1 15/16	6 1/8 - 6 1/4	3 1/4 - 3 3/8	7/16 - 9/16	4 5/16 - 4 7/16
3-month	5 7/16 - 5 9/16	2 15/16 - 3 1/16	1 13/16 - 1 15/16	6 1/4 - 6 1/2	3 1/4 - 3 3/8	7/16 - 9/16	4 5/16 - 4 7/16
6-month	5 1/2 - 5 5/8	2 15/16 - 3 1/16	1 13/16 - 1 15/16	6 3/8 - 6 5/8	3 1/4 - 3 3/8	9/16 - 11/16	4 5/16 - 4 7/16
1-year	5 13/16 - 5 15/16	3 1/16 - 3 3/16	1 13/16 - 1 15/16	7 - 7 1/8	3 5/16 - 3 7/16	1/2 - 5/8	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	6.00	5 1/2
90-day CDs dealers	5.45	5.41
180-day CP dealers	5.27	5.30
3 month Treasury bill	5.05	5.05
1-year Treasury bill	5.31	5.22
2-year Treasury bill	5.94	5.87
5-year Treasury note	6.28	6.21
7-year Treasury note	6.38	6.29
10-year Treasury note	6.52	6.42
30-year Treasury bond	6.74	6.64
Merrill Lynch 30-day RA	4.95	4.95
Japan		
Discount rate	0.50	0.50
Call money	Clsd.	0.42
1-month interbank	—	0.53
3-month interbank	—	0.56
6-month interbank	—	0.56
10-year Govt bond	—	2.77
Germany		
Lombard rate	4.50	4.50
Call money	3.15	5.00
1-month interbank	3.15	3.15
3-month interbank	3.15	3.15
6-month interbank	3.18	3.18
10-year Bund	5.97	5.78

Britain		
Bank base rate	6.00	6.00
Call money	6 1/16	6 1/4
1-month interbank	6 3/16	6 3/16
3-month interbank	6 5/16	6 1/2
6-month interbank	6 9/16	6 1/4
10-year Gilt	7.64	7.63
France		
Intervention rate	3.15	3.15
Call money	3 1/4	3 1/8
1-month interbank	3 5/16	3 1/8
3-month interbank	3 5/16	3 1/4
6-month interbank	3 5/16	3 3/8
10-year OAT	5.85	5.56

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich		Closed	
London	367.80	366.55	–3.00
New York	369.20	366.60	–2.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

CURRENCY AND CAPITAL MARKET SERVICES

Peter G. Catranis
Forex & Futures Specialist

FCM

Call today for your complimentary copy of my latest research reports, market opinions and performance records. Learn how you can put my 19 years of professional trading experience to work directly for you.

OUTSTANDING Analysis for All Major Markets
EXCEPTIONAL Execution Forex or Futures
COMMISSION Spot FX 2-5 Pip Price Spreads
SUPERIOR Selection of Managed Accounts
FREE Trading Software & Data
COMMISSION Futures $12-$36 Per R/T

Prepare for Tomorrow's Major Market Moves by Calling Toll-Free Today

Australia 1800125944 · Belgium 080015880 · Bermuda 18008784178 · Brazil 0008119215513 · Colombia 980120837
Cyprus 08090605 · Denmark 80016132 · Finland 08001110064 · France 0800902246 · Greece 00800119213013
Germany 0130829566 · Hong Kong 8007209 · Ireland 1800559294 · Israel 1771000102 · Italy 167875928
Japan 0031126609 · Korea 0038110243 · Luxembourg 08004552 · Mexico 958008784178 · Netherlands 060220657
N. Antilles 18009945757 · N. Zealand 0800441880 · Portugal 050112632 · Singapore 8001202501 · S. Africa 0800996337
Spain 900931007 · Sweden 020793158 · Switzerland 0800897233 · Thailand 001800119230666 · Turkey 00800139219013
United Kingdom 0800966632 · United States 18009945757 · US-Toll Voice +714-376-8020 · US-Toll Fax +714-376-8025

IFEXCO
International Foreign Exchange Corporation
THE RELIABLE PARTNER
SEE US ON NBC TEXT PAGES 355 & 356
Discounted commissions - 24 hour trading desk
Internet site: www.ifexco.ch - Reuters page IFEX
86 bis route de Frontenex - 1208 Geneva - Switzerland
Tel (41) 22 849 7411 - 24hr (41) 22 849 7440 - Fax (41) 22 700 1913

BEVERLY HILLS

Investment Manager Stuart Chaussée offers U.S. and non-U.S. clients investments the experts recommend. "... brilliant, top-performing, tax-efficient investments..." - Jonathan Clements, *Wall Street Journal.* Learn why these investments can outperform the majority of mutual funds, bankers and brokers. Tax returns, wills, trusts & estate planning also available for U.S. expatriates. Low fees. For a free brochure, portfolio review, or a meeting in Europe or Asia: Tel. 1 310.285.1759 Fax 1 310.373.8265 North Camden Drive Beverly Hills, California 90210

REHDER & PARTNER AG, ZUG - Switzerland
SENNWEIDSTRASSE 43 - 6312 STEINHAUSEN
FOREX
Managed Accounts
Please contact:
Martin Gloor, Tel.: 0041 41 740 00 22 - Fax: 0041 41 740 00 29

SUCCESSFUL FUTURES MARKETS
PORTFOLIO MANAGEMENT
HIGH RETURN LIMITED RISK
NO MINIMUM PERIOD OF INVESTMENT
PROVEN TRACK RECORDS
ASK FOR A BROCHURE FREE OF CHARGE IN ENGLISH OR IN FRENCH
GOLD HILL SERVICES SA
RUE DE BOURG 6, 1003 LAUSANNE, SWITZERLAND
TEL.(41.21) 320 58 31 FAX (41.21) 320 58 35
PORTFOLIO MANAGERS AND BROKERS SINCE 1982
MEMBER OF THE NEW YORK FUTURES EXCHANGE

Your 'one stop' Brokerage connection to the world's Futures, Options & Forex markets
europe Linnco
Linnco Europe Ltd • Regulated by the SFA
125 Finsbury Pavement, London EC2A 1LE
+44 (0) 171 256 6600

For further details on how to place your listing contact: WILL NICHOLSON in London
Tel.: (44) 171 836 48 02 - Fax: (44) 171 240 2254
Herald Tribune

THE AMERICAS

Investor's America

The Dow | 30-Year T-Bond Yield | Dollar in Deutsche marks | Dollar in Yen

Exchange	Index	Thursday Close	Prev. Close	% Change
NYSE	The Dow	6442.49	6448.27	-0.09
NYSE	S&P 500	737.01	740.74	-0.50
NYSE	S&P 100	718.46	719.98	-0.21
NYSE	Composite	389.53	392.30	-0.71
U.S.	Nasdaq Composite	1275.02	1291.03	-1.24
AMEX	Market Value	N.A.	583.28	--
Toronto	TSE Index	5904.31	5927.03	-0.38
São Paulo	Bovespa	69555.40	70399.50	-1.20
Mexico City	Bolsa	3359.46	3361.03	-0.05
Buenos Aires	Merval	639.30	649.37	-1.55
Santiago	IPSA General	4911.56	4902.59	+0.18
Caracas	Capital General	6837.05	6690.06	+2.20

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Apache Signs Gas Deal in Egypt

HOUSTON (Bloomberg) — Apache Corp. said Thursday it had signed a contract to supply natural gas valued at $1.2 billion to Egypt's national gas system over 25 years.

News of the contract with Apache and its partners helped buoy Apache's shares, which rose 87.5 cents to $36.

Apache said Egypt had agreed to buy gas at a price tied to fuel oil and to Gulf of Suez blended crude oil under the contract that begins May 1, 1999.

Clayton Buys Stake in Kinko's

NEW YORK (Bloomberg) — Clayton, Dubilier & Rice Inc., a buyout firm, said Thursday it had bought a 30 percent stake in Kinko's Inc., a chain of copy shops, for $214 million.

Clayton Dubilier bought Kinko's with a plan to change the company from 130 separate units to a single business able to expand both in the United States and overseas. The purchase was the buyout firm's second-largest single investment after previously buying Riverwood International Corp. of Atlanta for $225 million.

• **J. C. Penney Co.** said it would take a fourth-quarter charge of $175 million to $200 million for costs related to its recent acquisitions of drugstore chains.

• **Ameritech Corp.** became the first Baby Bell regional phone company to seek approval from the Federal Communications Commission to offer long-distance phone service under a new law that went into effect last February.

• **Wachovia Corp.** agreed to buy a controlling stake in the Brazilian unit of Portugal's **Banco Portugues do Atlantico SA**, its first venture into Latin America.

• **Chrysler Corp.** said it set a record in 1996 by selling 2.4 million cars and trucks in the United States, up 8.6 percent from the previous record set in 1988, and that it hoped to double its vehicle exports from North America, which totaled 250,000 in 1996, within three years. *Bloomberg, AP, Reuters*

A Year-End Burst of Growth

U.S. Economy's Strength Stirs Inflation Fears

Compiled by Our Staff From Dispatches

NEW YORK — America's manufacturing economy grew more rapidly than expected in December, according to the latest of a recent series of data showing surprisingly strong growth that sent a shiver through financial markets.

The National Association of Purchasing Management's survey of executives, widely followed as an early indicator of the previous month's performance, found that the manufacturing economy accelerated in December.

Its index of manufacturing activity rose to 54.0 in December, the highest in six months, from 52.7 in November.

A reading above 50 points indicates growth in manufacturing, while one below that level indicates a contraction.

"The manufacturing sector grew more rapidly in December than in November, with new orders indicating faster rates of growth and prices moving upward," said Norbert Ore, who directs the group's monthly survey.

The report, the first major indicator of the new year, had been widely awaited in financial markets. Private economists had expected a reading of 51.5 for December, and the actual data pointed to a possible pickup in economic growth that could lead to accelerating inflation and higher interest rates, analysts said. The group's index stood at 54.3 in June.

The group said its index of prices paid rose to 51.5 last month from 45.9 in November, indicating rising prices after two months of declines. It was the highest reading since July 1995, when the index was 59.

So far, most price increases have been absorbed by manufacturers and retailers instead of being passed on, helping to keep consumer-price inflation tame.

December was the eighth month in nine in which the purchasing managers' report showed an expanding manufacturing economy. It was also the 11th consecutive month that the index indicated the overall economy was growing.

"This report says there are a lot of other things going on that are still pretty positive," said Raymond Worseck, chief economist at A.G. Edwards & Sons Inc. in St. Louis.

Many economists had been expecting the overall figure to drop slightly from November's strong showing. That would have come amid early holiday shopping results suggesting less than a banner season.

"Purchasing executives' comments on business conditions in December were even more positive than their somewhat bullish comments in November," Mr. Ore said.

In addition, the Conference Board reported Tuesday that consumer confidence rose in December to its highest level in seven years.

Also Tuesday, the Commerce Department reported that new home sales staged their sharpest increase in three and a half years.

The Conference Board reported Thursday that its help-wanted advertising index rose to 85 in November, up three points from October. The index is based on a survey of help-wanted advertisements in 51 major newspapers

Still, there are signs of moderation in the economy. The Labor Department reported Thursday that first-time claims for unemployment benefits rose to the highest level since summer.

Initial claims for jobless benefits rose 22,000 to 366,000 last week, more than the 6,000 gain analysts had expected, the department said.

Early reports from major retailers also showed that the Christmas shopping season was not as strong as many had expected.

J.C. Penney, which had strong sales for much of the autumn, said comparable-store sales for the four weeks ended Dec. 28 rose just 6.2 percent from a year earlier, and sales for November and December climbed just 4.5 percent.

Comparable-store sales at Dayton Hudson rose 4.2 percent from a year earlier, with sales at the company's Target discount chain gaining 7.1 percent, while sales at department stores rose just 0.3 percent. *(AP, Reuters, AFX)*

STOCKS: *Dow Slips on Rate Fears*

Continued from Page 11

The U.S. economic reports also pulled European bond prices lower.

On Tuesday, the last day of trading before the New Year's holiday, the Dow industrials tumbled 101.10 points, or 1.54 percent, after three economic reports showed buoyant consumer confidence and strength in the housing and manufacturing industries, sending Treasury bond prices sliding more than a point.

Non-U.S. companies with significant activities in the United States, including Glaxo Wellcome, British Petroleum, Rhone-Poulenc and Accor, led the decliners in Europe. Shares in banks and insurers, including HSBC Holdings, Lloyds TSB Group, Compagnie Bancaire, Credit Commercial de France and Allianz, also were lower on concern that rising bond yields could erode profit margins.

"People are looking at profits and wondering whether the U.S. bull run can continue," said Jean-Marie Legrand, a fund manager at International Capital Gestion.

But some analysts said the sudden malaise afflicting U.S. stocks was probably exaggerated by a holiday-thinned market, and a rebound was generally expected to occur soon.

"I think you'll see the stock market rebound in a big way," said Robert Froehlich, chief investment strategist at Van Kampen American Capital. "You're sitting here in January, when a lot of 401(k) money is available. This is going to be viewed as a classic buying opportunity."

Declining issues outpaced advancers by a 18-to-7 ratio on the New York Stock Exchange.

In the computer-retailing sector, CompUSA, the most active NYSE

U.S. STOCKS

issue, plunged 4¾ to 16. The company said its same-store sales rose only 1.5 percent in its second quarter, which included the holiday season.

Other computer-related companies also backtracked. Intel shares sank 9/16 to 130⅜ on the Nasdaq, while Dell Computer dropped 1⅞ to 51¼, and U.S. Robotics fell 4¾ to 67¼.

Spyglass fell 1¼ to 11¼ after the Internet software-maker said its first-quarter loss would be wider than expected. Spyglass, a provider of technology to make devices work with the World Wide Web, said it had been unable to determine the amount of royalties due from Microsoft because it had not received a report on how many copies of Internet Explorer had been distributed. Microsoft licensed Spyglass software to use in the Web browser.

Banking and other financial issues, which have a smaller profit margin on the money they lend when interest rates rise, were among the session's weakest groups. Barnett Banks slipped 1⅛ to 40. Chase Manhattan fell ⅝ to 88⅛.

Investors also pummeled retail shares, which reported modest gains for December and the fourth quarter in stores open at least a year. The two big department-store chains that reported their holiday sales were down sharply. J.C. Penney fell ⅞ to 47⅛ and Dayton Hudson declined ⅞ to 38⅜.

(Reuters, Bloomberg, AP, Bridge News)

DOLLAR: *American Exporters Feel Pinch of a Stronger Currency as Rivals Undercut Their Prices*

Continued from Page 1

nipulating their exchange rates." He said Japan as well as Germany and other European countries, especially France, hoped to bolster the dollar as a means of stimulating their own economies by making their exports cheaper.

The dollar already has rallied nearly 14 percent against the mark from a record low of 1.3534 DM and 45 percent against the yen from its low point of just under 80 yen, clearly reducing a competitive advantage for U.S. companies.

If the dollar moves higher this year, U.S. companies could try to press Mr. Clinton's administration to help them out. The National Association of Manufacturers is forecasting a decline in the value of the dollar, but Mr. Jasinowski said he saw "considerable risk on the upside." Many Wall Street forecasters expect the dollar to rise at the beginning of 1997 but fall enough later to finish the year lower, easing the pressure on U.S. companies.

That is the case at Goldman, Sachs & Co., where economists forecast

FOREIGN EXCHANGE

the dollar to be at 105 yen and 1.45 DM at the end of 1997. The move down, they say, will be propelled by a rising U.S. trade deficit and an increase in the outflow of U.S. capital as other countries' economies begin to pick up in 1997.

But Jim O'Neill, Goldman's chief currency economist, said he now expected the current strength of the dollar "will remain longer," taking the currency to 1.60 DM and allowing it to hold at 116 yen early this year.

The chief economist at Salomon Brothers Inc., John Lipsky, said the dollar might not move much in 1997 but was poised to rise over the next several years for two reasons.

International investors, he said, still have higher inflation expectations for the United States than they do for Germany and Japan, and those expectations depress the dollar. But this perception would be likely to change, he said, if the current moderate rate of U.S. inflation continued.

The second force is the expected build-up in Americans' savings rate as individuals invest more for retirement and the government moves to cut the budget deficit.

Michael Rosenberg, head of international fixed-income research at Merrill Lynch & Co., forecasts that the dollar will rise this year against both the yen and the mark and continue to rise thereafter. By the end of 1997, he forecasts rates of 120 yen and 1.70 DM.

He reasoned that in Japan and Germany — as well as most of the rest of Europe — central bankers will keep interest rates low while governments cut spending in Europe and raise taxes in Japan to bring down their deficits. Such a policy mix, he said, is a prescription for a weaker currency, which means the dollar would rise.

■ Dollar Firms Against Pound

The dollar was mixed against other major currencies Thursday, but it staged its biggest rally in almost a month against the pound after a report on a slowdown in British manufacturing suggested that Britain might delay raising interest rates, Bloomberg Business News reported. The dollar declined against the yen and ceded early gains against the mark after a report showing unexpected strength in U.S. manufacturing weakened bonds and stocks.

The pound fell after the Chartered Institute of Purchasing and Supply said its index of manufacturing fell to 52.5 last month from 54.2 in November, a sign that British factories were expanding more slowly — in part because the strength of the pound is making their exports expensive. The pound dropped to $1.6938 from $1.7130 on Tuesday.

The dollar rose to 1.5435 DM from 1.5410 DM but fell to 115.65 yen from 116.00 yen. The currency also was at 1.3470 Swiss francs, up from 1.3415, and at 5.2040 French francs, up from 5.1940.

AMEX

Thursday's 4 p.m. Close
The top 300 most-active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
AMC	889	14⅝	14⅜	14½	-⅛
AMC pf	162	27¾	26⅞	27⅛	-⅝
ARC	434	4	3½	4	-⅛
ARM F pf	904	26	25⅞	26	—
ATT Fd	185	83⅜	81¾	83⅜	-⅛
AVIC Gp n	120	3⅛	3	3⅛	+1/16
AckGrp s	515	11⅝	11⅛	11⅛	-⅜
AdmRsc	144	12⅜	11⅝	11⅝	-⅞
AdvMed	3287	4⅞	3¾	4⅜	-⅜
Aeroson	106	4⅝	4¼	4⅛	-⅜
AirWat	632	6	5⅝	6	—
Alamco	129	11⅛	11	11¾	+⅛
AHoopen	84	14	14⅜	14⅛	-⅛
Allin	133	1⅝	1½	1½	
AlldRsh	222	6⅝	6⅜	6⅝	+⅛
AltLiving n	433	14¼	13	13¼	-1
Amdhl	2481	12⅞	11⅞	12¼	
AIM 88	98	14	13⅞	14	-⅛
AREInv	79	8⅝	8⅛	8⅛	-⅛
AScIE	307	13½	12½	13	-½
ATechC	118	6⅝	6⅜	6⅜	-⅛
Ampal	109	4½	4⅛	4½	+⅛
Ampex n	3604	9⅝	8¾	9⅛	-⅜
Andrea	95	11	10⅞	10⅞	-⅛
Anuhco	104	8	7⅝	7⅞	-⅛
Apogee	75	⅞	9/16	⅞	
AstLiving	644	15⅛	14⅝	14⅞	-⅛
Astrotc	171	5⅜	5⅛	5⅛	—
Audvox	646	5 11/16	5⅛	5 9/16	-⅛
Autotote	790	1⅝	1½	1 9/16	+1/16
Axogen un	79	23¾	23½	23½	—
Azco	391	1 7/16	1⅜	1⅜	—
BAT Ind	486	16 11/16	16⅝	16 11/16	-1/16
BHC	124	103	101¼	101¼	-⅛
Baldw	163	2⅜	2¼	2⅜	-⅛
Balinty	234	20¼	19⅞	19⅞	—
ecBnkrN	90	1⅛	1 1/16	1⅛	+1/16
BayMea	686	40⅞	39¼	39½	-1⅜
Bayou	113	2⅜	2⅜	2⅜	—
BS MRK	252	47⅝	47⅜	47⅝	—
BemaGold	1850	5 9/16	5⅜	5 7/16	-⅛
BenchE	98	30⅝	30⅛	30⅝	+⅛
BentPh	114	2 11/16	2⅝	2 11/16	+1/16
BinkMf	139	40½	39½	39½	-⅛
BioR A s	131	30½	29⅞	30⅜	+⅜
Bogen wt	145	¾	11/16	11/16	+1/16
Bowne	437	24⅜	23¾	24	-⅜
Brandyw s	412	19½	19	19⅜	-⅛
BrillDig n	330	4⅝	3⅞	4⅛	+⅛
Button	337	2¼	2⅛	2⅛	-1/16
CE Frnk g	97	4⅛	3 15/16	4	-⅛
CEC g	89	5⅛	5⅛	5⅛	—
CFX Cp	94	15⅜	15¼	15⅜	-⅛
CIM	84	8 1/16	7 15/16	8 1/16	-1/16
Cablvsn	522	30¾	30¼	30⅝	+⅛
Cablvs pf	163	20⅝	20½	20½	—
Calton	140	⅝	9/16	⅝	
Cambior	404	14½	13⅞	14	-⅛
Cambrx s	123	32⅜	31⅞	32	-⅛
CdnOc g s	9907	16⅜	15⅝	16	—
ecCancTr	72	1 5/16	1 3/16	1⅛	+⅛
CanyonRs	273	2 11/16	2 9/16	2 9/16	-1/16
Caremtrx n	162	13¾	13½	13¾	+⅜
CasFd	94	26⅛	25⅞	26	-⅛
CFCda g	87	4 7/16	4⅜	4⅜	-1/16
CentSe	101	24	23¾	23¾	-⅛
ChadThr	156	14¾	14⅛	14½	+⅛
Chief	1143	25⅞	25⅜	25½	-½
ClfFin n	422	14⅛	13⅞	13⅞	-½
ColLb	1350	14	13¾	13⅞	-⅛
Comforce	85	14	13⅝	13⅝	-⅜
CmclAst	73	6 11/16	6⅝	6 11/16	-1/16
CompTch	195	10	9⅞	10	—
CmpMan	245	12⅞	12⅝	12⅝	-⅛
Continucre	452	8¼	8	8	-½
CornCor n	132	9	9	9	-⅛
Cross	162	11⅝	11⅜	11½	-⅛
Cybexlntl	89	9⅞	9⅝	9⅝	-⅛
Cycom as	264	3⅛	3	3⅛	+1/16
DI Ind	2899	2 11/16	2 9/16	2 11/16	+⅛
DakotaM	1239	1 3/16	1⅛	1⅛	-1/16
ecDaiG	210	1⅛	1	1	-1/16
DanlHd	258	4⅝	4⅝	4⅝	-⅛
Datamet	347	1 3/16	1	1⅛	-1/16
Dataram	614	9⅝	8⅞	9⅝	+⅛
Daxor	79	13¾	13½	13½	-½
DaytonMn	715	6 11/16	6 9/16	6 11/16	—
DenAmer	118	3⅛	3	3	+⅛
DevnE	392	34⅞	34½	34⅝	-⅛
DiagRet	441	12⅜	12	12⅛	-⅛
DigitCT	359	1⅛	1 1/16	1⅛	+⅛
DolAutEx	74	36⅜	36	36	+⅛
DryfMu	146	9 11/16	9⅝	9 11/16	—
DryfNY	80	9 11/16	9 11/16	9 11/16	+1/16
EXX A	110	4	3⅞	4	+⅛
EchoBay	4807	6⅝	6 7/16	6 9/16	-1/16
Edisto	78	8 7/16	8⅜	8⅜	—
Edisel	796	⅝	9/16	9/16	-1/16
ElPasoE n	979	6⅞	6⅝	6 11/16	-1/16
Eldorad	124	22⅝	22	22½	—
Elswth	116	9⅞	9⅝	9¾	-⅛
EmerR	111	1⅝	1½	1⅝	+1/16
EmpCar	167	4⅜	4¼	4⅜	+⅛
EnzoBi	421	18½	17⅝	18⅛	+⅛
Florod	487	33⅝	33⅛	33⅜	-⅛
FAust	358	8⅝	8 9/16	8⅝	-1/16
FAusPr	2672	8 11/16	8 9/16	8 11/16	+⅛
FtCntrl	306	4⅝	3⅞	4½	+⅜
Filber	176	11	10⅞	10⅞	-⅛
FlaRck	114	33	32⅝	32⅝	—
ForstLb	4397	33¼	32⅝	32⅝	—
FortPet	132	2⅝	2½	2½	-1/16
ForumR	97	3½	3 7/16	3 7/16	-1/16
FrnkSel	263	5⅝	5½	5 9/16	-1/16
FreqEl	213	12	11	11	-1
GA Fncl n	784	15⅛	14⅝	15	-⅛
GST Tele	1049	9	8¾	8⅞	—
GamaB	125	3⅛	3 1/16	3 1/16	—
GayICn	1545	6⅝	6⅝	6⅝	+⅛
GelmSci	486	32½	31⅝	32⅛	-⅛
GnEmp	344	9¼	9	9⅛	+1
GenvDr	79	15⅝	15	15⅛	-⅛
GetchGld	867	32⅞	37⅞	37⅞	-1
GiantFd	720	34⅛	33⅞	33⅞	-⅜
Glatflt	785	18⅛	17⅝	17⅝	-⅛
GlobSml	72	11⅝	11½	11⅝	
Globlink	757	3½	3⅛	3⅛	-⅛
GoVideo	265	1⅛	1 1/16	1 1/16	—
GldStarR	594	13⅛	12¾	13	—
GrteBayC	544	7	1 11/16	1⅝	+⅛
Greenbri	106	13⅝	13½	13⅝	-⅛
GreyhndL	5450	4⅛	3 15/16	4⅛	—
HalEP	178	8	8	8	
Halsey	232	6	5 13/16	5⅞	-1/16
HalterM n	375	13⅛	13½	13½	-⅛
Hampll	91	6	5⅞	6	+⅛
HanvDr	766	⅝	⅝	⅝	—
Han wtB	7444	⅛		⅛	—
Harken	1535	2 1/16	2	2 1/16	-1/16
Hasbro	1678	37⅞	38⅛	38⅛	-⅛
HawAir	379	3⅜	3⅛	3⅜	—
Hearx n	8946	3⅛	2⅞	3⅛	1/16
Heico s	144	26⅛	24⅝	25	-1⅜
HomeVil n	432	18	17⅝	17⅝	-⅛
HomeV wt	136	7	7⅛	7⅛	-⅛
HoopHl	131	17⅛	16⅛	16⅛	-⅝
HovnEn	381	7⅜	7⅛	7¼	-⅛

Stock	Sales	High	Low	Latest	Chge
ICG Com	2847	17⅜	16⅜	16⅞	-⅛
IGI	436	6⅞	6⅝	6⅝	-⅛
Identix	1008	8 11/16	8½	8⅝	-⅛
ImpCAlg	269	23⅜	22⅞	23	-⅛
ImpOil g	727	47	46	46⅛	-⅛
InefMd	696	11⅛	11¼	11⅛	-⅛
InterDig	826	6	5 11/16	5 11/16	
ecIntrine	322	11/16		11/16	
Intrmagn	119	12⅛	12	12⅛	+⅛
IPIs	128	4⅛	4	4⅛	+⅛
InfThrgh	120	3⅛	2 15/16	2 15/16	+⅛
IonLaser	88	11⅛	11⅛	11⅛	
IvaxCp	4585	10⅜	10⅛	10¼	-⅛
JTS Corp	1684	3⅝	3⅜	3⅜	-⅛
JanBell	147	2⅛	2⅛	2⅛	+⅛
Jetronic	93	1⅝	1⅝	1⅝	-⅛
KFX Inc	122	5⅛	5⅛	5⅛	-⅛
KV Ph B	96	11⅜	11⅛	11⅝	
Keane s	1143	31⅞	30⅞	31½	-⅛
KeyEng	182	11⅜	11½	11⅜	-⅛
Kinark	120	3 11/16	3⅝	3⅝	-⅛
KnogeNA	121	5	4⅝	5	+⅛
KogrEq	529	18⅞	17⅜	18	-⅛
KogrEq wt	95	11	10⅞	10½	-½
Krug	217	5	4⅝	5	
LXPBiot	346	2⅜	2⅛	2⅛	-⅛
Laborg	274	6⅝	6⅛	6⅛	+⅛
Lancer s	72	20⅝	19	19	-1⅛
Landaur	118	24½	23⅞	24	-⅛
LsrTech	126	3⅞	3⅞	3⅞	
LazKap	87	17	16⅞	16⅞	-⅛
LeHX 98wt	257	7⅝	7	7⅛	-⅛
MAI Sys	235	6⅞	6⅝	6⅞	-⅛
MC Shp	500	4 1/16	4⅛	4 1/16	-1/16
MSB Bcp	230	19⅜	19½	19⅝	+⅛
MagnPet	471	4 1/16	4	4 1/16	-⅛
MaximPh n	102	7	7	7	—
Maxam	91	48⅛	47⅜	47⅜	+⅛
MedcR	83	10½	10⅛	10⅝	-⅛
Medeva	244	17⅛	17	17	-⅛
Media	512	30⅛	29½	29⅝	-⅜
MediaLog	427	3	2¾	3	—
Media	114	6¼	6 3/16	6¼	-⅛
Metromda	1362	10⅛	9⅞	10	+⅛
MichAnt	622	3⅛	3	3⅛	+1/16
MidarRty	400	11⅜	11¼	11⅜	-⅛
MorgnF	988	⅞	⅞	⅞	—
MSNik 97wt	400	3⅜	3⅜	3⅜	-⅛
MntasaE	154	3 1/16	3⅜	3 1/16	-1/16
MovieStr	156	⅝	9/16	9/16	—
Munlin	231	8 7/16	8⅜	8⅜	+1/16
MuniMig n	172	15⅝	15⅝	15½	-⅛
Munvst	475	8 11/16	8⅝	8⅝	-1/16
Myersind	114	16⅝	16⅝	16½	-⅛
NTNCom	1518	3 11/16	3⅝	3 11/16	—
NVR	480	13⅛	12⅞	12⅞	-⅛
Nabors	4910	19⅛	18⅝	18¾	-½
NtPatnt	168	7 11/16	7⅝	7⅝	+1/16
NY Times	1573	37⅞	37⅛	37⅛	-⅜
NA Vacc	305	24½	23½	24½	+½
Novavr	206	3 7/16	3 5/16	3⅜	-1/16
OmniMult	1074	2⅝	2	2⅝	+1/16
Oncor	255	3 11/16	3⅝	3⅝	-1/16
Orgngn	1547	22⅝	21½	21⅝	-1⅛
PC Quote	449	3	2⅝	3	+⅜
PGECap pf	368	25 11/16	24⅞	24½	+⅛
PLC Sys	1047	24⅝	22½	24⅝	+1⅞
PMC CT	230	17⅜	17	17⅛	-⅛
PanAmC n	253	7½	7⅛	7⅛	-⅛
PaxsnC	1621	8⅞	8	8 7/16	+7/16
PegGld	1784	7⅝	7⅛	7 7/16	-⅛
PeopleTel	81	3⅜	3⅛	3 3/16	
PerimC	70	8	7⅞	8	+⅛
PlurNuf	398	3⅛	3⅛	3 11/16	+⅛
Phonetel	219	3 7/16	3⅜	3⅜	—
PitDsm	301	41½	41	41½	
PlnRsc	1140	15¾	14⅞	15⅞	-⅛
Polymed	71	4	3 15/16	3⅞	+1/16
Polyph	831	5½	5¼	5⅜	+1/16
ProdLg	1676	18⅛	17¼	17⅜	-⅜
PrcCm	4840	8⅝	8⅛	8 9/16	-1/16
Pricell s	137	11⅛	11	11½	-⅛
PropCT	184	8¼	8	8⅛	
PutnCA	85	15⅛	15	15	+⅛
PutNY	73	12⅜	12⅜	12⅜	+⅛
RF Pow	134	2⅝	2½	2⅝	+⅛
RegGold	312	1 9/16	1 7/16	1⅝	-1/16
RegalBel	131	19⅝	19	19½	-⅛
Riser	476	31⅛	31½	31⅛	—
RoyalO g	5231	3¼	3 3/16	3 3/16	-1/16
SabaPet s	1062	25	23⅞	24⅞	-⅛
SageCm s	114	19⅜	18⅝	19	-½
SFeGam	205	1½	1⅜	1½	-⅛
ShefldMd	175	3⅛	3½	3 11/16	-1/16
ecSoligen	83	9/16	½	½	-1/16
SpcltT n	349	5½	4 9/16	4 11/16	-9/16
SPDR	18117	74⅜	72¾	73 55/64	+1/64
SP Mid	230	49 11/16	48 59/64	49 7/64	-1/64
Stephan	191	13⅛	12⅞	13⅛	+⅛
StevIntA	113	1⅝	1 9/16	1⅝	+⅛
SubstAbus	566	1⅝	1½	1⅝	+1/16
Sulcus	363	2 1/16	2	2 1/16	—
SumitTx	73	11⅛	11⅛	11⅛	—
TabPrd	455	9	8⅞	8⅞	—
Techne	139	14⅝	14¼	14⅝	—
TelDta	802	36⅛	35½	36⅛	-⅛
TorBatch	516	4⅝	4 7/16	4 7/16	-3/16
TexBi wt	72	⅛	⅛	⅛	+1/16
TexMer	636	17⅛	16⅞	16⅞	-⅛
Thermed	781	18¼	17½	17⅝	-½
ThCor s	474	31	29⅝	29⅝	-⅜
Thrmd	832	34	33	33½	+⅛
ThmoDe n	71	17¼	12⅝	12⅝	+⅜
ThrSpect	108	12⅞	12½	12⅞	+⅜
Thrmolse	375	16¼	15⅝	15½	-⅛
Thmost n	75	13⅛	12⅞	13½	+⅛
Thrmotx	238	28⅛	27⅛	27⅞	—
TopSrce	955	2⅝	2 9/16	2⅝	-⅛
TollPet	112	10⅝	10½	10½	-⅛
TownCty	240	⅝	⅝	⅝	—
TWA	2090	7⅛	6⅝	6⅞	+5/16
Trnsmd n	77	13½	13¼	13⅛	—
TrexMed n	129	13	12⅜	12⅞	-⅛
Triton	132	⅞	13/16	⅞	
TubMex	2371	15⅝	15⅜	15⅜	-⅛
UTI Eng	327	34⅝	32⅛	32⅞	-2⅛
UnMrt	108	5⅝	5 11/16	5 11/16	—
Unilab	623	½	⅜	½	+1/16
Unimar	334	4⅜	4½	4 9/16	+1/16
UnigMbl	168	3⅝	3¼	3 7/16	-1/16
US Bio wt	89	4⅛	4½	4⅝	+⅛
USBiosci s	1035	13⅛	12¾	13⅛	+⅜
US Cell	258	27⅞	27	27¼	-⅛
UnitelV	115	7 11/16	7½	7⅝	-⅛
Vk SelS	76	10⅛	10⅛	10⅛	-⅛
VKNJV	154	12¼	12⅛	12¼	+⅛
Viacom	1028	35	33⅞	34⅛	-½
ViacB	10939	35⅞	34	34⅝	-1⅛
Viac wtC	655	1/64	1/64	1/64	-1/64
Viac wtE	327	2 9/16	2 7/16	2½	—
Virco	181	14	13⅝	13⅝	-⅛
VitaGG g	322	1⅝	1 9/16	1⅝	—
WRIT	414	17⅜	17⅛	17½	-⅛
WelGrd	154	4⅝	4½	4½	-⅛
WIRET	290	13	12⅞	13	—
WhlmE s	101	6⅝	6⅛	6 9/16	-1/16
WirelsT s	1653	11¼	10⅝	11¼	+1
WEBGer n	187	14⅛	14⅛	14⅛	-⅛
WEB HK n	197	15⅝	15½	15⅝	-⅛
WEB Ita n	924	14⅝	14 7/16	14½	-⅛
WEB Sng n	70	11 11/16	11 11/16	11 11/16	-1/16
WEB Spn n	200	17⅛	17⅛	17⅛	-1/16
XCL Ltd	6280	⅛	1/16	⅛	+1/16

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6461.73	6468.46	6352.83	6442.49	—5.78
Trans	2249.20	2256.29	2216.22	2222.07	—33.60
Util	232.53	233.09	229.53	230.99	—1.54
Comp	2026.87	2030.42	1995.94	2015.04	—10.79

Standard & Poors

	High	Low	Close	Chg.
Industrials	872.41	857.73	866.92	—3.05
Transp.	539.67	529.19	533.43	—5.83
Utilities	199.21	196.18	197.11	—1.70
Finance	81.93	79.89	80.75	—0.96
SP 500	742.81	729.55	737.01	—3.73
SP 100	722.94	710.22	718.46	—1.52

NYSE

	High	Low	Last	Chg.
Composite	392.92	386.36	389.53	—2.77
Industrials	495.42	487.30	491.52	—2.86
Transp.	352.30	345.24	347.15	—5.15
Utility	259.95	255.96	258.94	—0.97
Finance	351.70	343.97	346.63	—4.54

Nasdaq

	High	Low	Last	Chg.
Composite	1290.22	1274.16	1275.02	—16.01
Industrials	1107.49	1094.23	1095.67	—13.96
Banks	1279.92	1262.93	1264.14	—9.32
Insurance	1464.09	1443.11	1443.11	—22.32
Finance	1589.32	1571.85	1573.92	—21.18
Transp.	903.67	892.97	898.15	—9.28

AMEX

Not available at press time

Dow Jones Bond

	Close	Chg.
20 Bonds	103.27	+0.51
10 Utilities	100.12	— 0.59
10 Industrials	106.42	— 0.43

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
CmpUSA s	92268	20¾	15½	16	—4¾
CmpAsc s	79496	50⅝	45½	46	—3¾
AT&T s	77252	42⅝	41¼	41¾	+⅛
WstgEl	56369	20	19⅞	20	+⅛
GnMotr	45313	58⅝	55⅝	58⅛	+2⅜
GenElec	45054	99	95⅞	97½	—2⅝
IBM	41835	154⅝	150¼	153½	+1⅝
PepsiCo s	41413	30	29⅛	29½	+⅛
FstData s	38816	36⅞	35⅛	35⅞	—⅛
WalMart	36414	23⅜	22⅞	22⅞	+⅛
AutoZone	35861	27	25⅝	25⅝	—1⅜
CocaCl s	35741	52⅛	51⅞	51⅞	—⅛
NCR Cp n	35201	34⅞	32⅝	33⅝	+⅛
TherEl s	33677	40⅞	38⅝	39⅜	—2⅛
PhilMr	33681	113⅜	108	111⅜	—1⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel	121627	132	127⅜	130⅜	—9/16
WorldCm s	114663	26⅞	25⅝	26⅝	+⅞
DellCot s	90139	53⅛	49⅞	51¼	—1⅞
SunMic s	84991	27⅞	26⅜	26⅞	+1⅛
US Robt s	73307	71⅞	66¼	67¼	—4¾
Microsft s	67956	83⅝	80⅛	81⅞	—1
Cisco s	60792	62⅝	60¼	62⅛	—⅛
Oracle s	60375	42⅞	41	42	+⅛
3Com	47827	73⅞	70⅞	72⅛	—1
Inform	43620	21⅞	20⅞	20⅝	+⅛
Zitel s	42637	50⅜	45¼	50⅛	+5⅛
Intel wt	41696	93	88⅞	92⅛	—⅝
MCI	38573	33½	32⅝	33	+⅛
TeleComA	34916	13⅞	13	13⅝	+⅛
Gate2000	34341	53⅞	49⅜	51⅛	—2⅞

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	18117	74⅜	72¾	73 55/64	+1/64
ViacB	10939	35⅞	34	34⅝	—1⅛
CdnOc g s	9907	16⅜	15⅝	16	—
Hearx n	8946	3⅜	2⅞	3⅛	+⅛
Han wtB	7444	⅛		⅛	
XCL Ltd	6280	⅛	1/16	⅛	—1/16
GreyhndL	5450	4⅛	3⅞	4⅛	—
RoyalO g	5231	3¼	3⅛	3¼	—1/16
Nabors	4910	19⅛	18⅝	18¾	—½
PrcCm	4840	8⅝	8⅛	8⅝	—1/16

Trading Activity

NYSE	Close	Prev.
Advanced	779	1297
Declined	1871	1234
Unchanged	691	816
Total issues	3341	3347
New Highs	42	202
New Lows	15	38

Nasdaq	Close	Prev.
Advanced	1836	2568
Declined	2309	1677
Unchanged	1604	1512
Total issues	5749	5757
New Highs	102	202
New Lows	50	196

AMEX	Close	Prev.
Advanced	237	355
Declined	313	241
Unchanged	178	193
Total issues	728	789
New Highs	14	33
New Lows	4	17

Market Sales

	Today Close	Prev. cons.
NYSE	461.03	507.48
Amex	18.64	39.06
Nasdaq	461.93	666.01

in millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
GulfCda adjpf g	-	.026	12-31	1-13
SPECIAL				
Bando McGlocklin	-	.515	12-30	12-31
INITIAL				
Indep Hold n	-	.05	1-10	1-24
REDUCED				
Amer Rest Part	Q	.11	1-12	1-31
REGULAR				
Blackrock IncoTr	M	.0469	1-15	1-31
Blackrock In	M	.0479	1-15	1-31
Blackrock	M	.0512	1-15	1-31
Blackrock NAGov	M	.07	1-15	1-31
Fidelity Fncl Bksh	Q	.05	1-17	1-31
Grand Premier Fn	Q	.08	1-15	2-1
Industrial Bcp	Q	.10	1-22	2-5
JeffBanks Inc	Q	.15	1-19	2-20
Johnson &John	Q	.19	2-18	3-11
Muni Advantage	M	.0665	1-16	2-3
PNC Bank Corp	Q	.37	1-13	1-24
Penn Sq Mutl A	Q	.05	1-2	1-31
Penn Sq Mutl C	Q	.014	1-2	1-31
Provident Cos	Q	.18	2-28	3-10
Trigen Energy	Q	.035	12-31	1-14
Winn-Dixie Strs	M	.08	1-15	2-3
Winn-Dixie Strs	M	.08	2-14	3-3
Winn-Dixie Strs	M	.08	3-14	4-1
X-Rite Inc	Q	.025	1-15	2-12
Zweig TotRet Fd	M	.07	12-31	1-10

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s).
b - annual rate of dividend plus stock dividend.
c - liquidating dividend.
cc - PE exceeds 99.
cld - called.
d - new yearly low.
dd - loss in the last 12 months.
e - dividend declared or paid in preceding 12 months.
f - annual rate, increased on last declaration.
g - dividend in Canadian funds, subject to 15% non-residence tax.
i - dividend declared after split-up or stock dividend.
j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k - dividend declared or paid this year, an accumulative issue with dividends in arrears.
m - annual rate, reduced on last declaration.
n - new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd - next day delivery.
p - initial dividend, annual rate unknown.
P/E - price-earnings ratio.
q - closed-end mutual fund.
r - dividend declared or paid in preceding 12 months, plus stock dividend.
s - stock split. Dividend begins with date of split.
sls - sales.
t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u - new yearly high.
v - trading halted.
vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd - when distributed.
wi - when issued/
ww - with warrants.
x - ex-dividend or ex-rights.
xdis - ex-distribution.
xw - without warrants.
y - ex-dividend and sales in full.
yld - yield.
z - sales in full.

INTERNATIONAL FUTURES

Jan. 2, 1997

	High	Low	Close	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	2.60½	2.56¼	2.58½	+0.00¼	148,382
May 97	2.63	2.59¾	2.61	+0.00½	53,766
Jul 97	2.64¾	2.62¼	2.62¾		54,221
Sep 97	2.61	2.58½	2.59¼		6,636
Dec 97	2.59½	2.57	2.57¾		37,999
Est. sales N.A. Tue's. sales 35,349					
Tue's open int 304,484 up 1341					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Jan 97	230.00	225.90	228.60	+2.30	12,498
Mar 97	222.80	217.80	221.30	+3.40	31,406
May 97	217.50	213.00	216.70	+3.40	17,373
Jul 97	216.80	212.30	216.20	+3.60	11,437
Aug 97	215.00	212.50	215.00	+4.00	2,377
Sep 97	212.50	210.00	210.70	+2.60	2,146
Est. sales N.A. Tue's. sales 16,927					
Tue's open int 79,275 off 1673					
SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs.					
Jan 97	23.05	22.68	23.03	+0.32	8,615
Mar 97	23.45	23.05	23.42	+0.28	42,935
May 97	23.80	23.45	23.78	+0.28	14,346
Jul 97	24.12	23.80	24.12	+0.29	10,133
Aug 97	24.20	24.10	24.19	+0.27	2,084
Sep 97	24.35	24.20	24.33	+0.32	1,781
Est. sales N.A. Tue's. sales 21,550					
Tue's open int 81,981 up 1174					
SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel					
Jan 97	7.00¼	6.90	6.99¼	+0.08¾	15,408
Mar 97	7.08½	6.88	6.98¾	+0.11	60,145
May 97	6.99	6.86	6.98	+0.11¼	27,862
Jul 97	6.98¾	6.87½	6.97¼	+0.10½	25,365
Aug 97	6.97	6.87½	6.95	+0.07¾	3,455
Est. sales N.A. Tue's. sales 41,862					
Tue's open int 144,231 off 1545					
WHEAT (CBOT) 5,000 bu minimum- dollars per bushel					
Mar 97	3.91	3.81	3.89¼	+0.08	30,938
May 97	3.69	3.62	3.68½	+0.07½	6,895
Jul 97	3.45½	3.40	3.45	+0.06¼	20,043
Sep 97	3.49½	3.46½	3.49	+0.03½	992
Est. sales N.A. Tue's. sales 4,128					
Tue's open int 59,659 up 33					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Feb 97	65.40	64.75	64.80	—0.17	34,619
Apr 97	65.75	65.25	65.37	—0.23	23,228
Jun 97	63.30	62.80	62.90	—0.25	10,496
Aug 97	62.97	62.57	62.62	—0.25	9,644
Oct 97	65.77	65.42	65.42	—0.30	6,340
Dec 97	66.97	66.70	66.77	—0.08	2,119
Est. sales 14,387 Tue's. sales 13,603					
Tue's open int 86,598 up 545					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Jan 97	67.70	67.32	67.35	—0.17	3,257
Mar 97	68.20	67.62	67.67	—0.38	5,701
Apr 97	68.55	67.90	67.90	—0.42	2,131
May 97	68.80	68.35	68.42	—0.23	3,073
Aug 97	70.70	70.35	70.42	—0.28	2,310
Sep 97	70.45	70.05	70.10	—0.23	348
Est. sales 1,752 Tue's. sales 2,154					
Tue's open int 17,462 off 49					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb					
Feb 97	78.90	78.25	78.70	—0.52	13,486
Apr 97	75.92	75.25	75.70	—0.52	5,864
Jun 97	79.30	78.50	79.17	—0.05	5,552
Jul 97	76.75	75.30	76.60	+0.73	1,405
Aug 97	73.40	71.70	73.17	+1.39	1,704
Oct 97	66.45	65.20	66.35	+0.88	997
Est. sales 9,602 Tue's. sales 10,542					
Tue's open int 29,472 up 1819					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	82.20	80.85	81.50	—0.85	3,917
Mar 97	81.95	80.80	81.25	—0.87	940
May 97	82.20	80.90	81.65	—0.85	680
Jul 97	81.10	80.00	80.72	—0.68	514
Aug 97	77.17	76.30	76.35	—0.82	170
Est. sales 1,734 Tue's. sales 2,828					
Tue's open int 6,221 off 176					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1395	1366	1393	+19	32,510
May 97	1416	1392	1415	+16	13,647
Jul 97	1438	1415	1439	+18	10,531
Sep 97	1456	1448	1456	+16	6,971
Dec 97	1465	1455	1473	+19	1,784
Est. sales 6,667 Tue's. sales 4,198					
Tue's open int 82,942 up 186					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	119.20	115.50	116.65	—0.25	18,897
May 97	116.75	114.25	114.95	+0.20	6,842
Jul 97	116.00	113.25	113.50	—0.10	2,087
Sep 97	113.50	111.75	111.75	+0.20	1,599
Est. sales 7,923 Tue's. sales 4,715					
Tue's open int 38,927 up 415					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.98	10.78	10.94	—0.06	76,423
May 97	10.95	10.80	10.94	—0.06	32,496
Jul 97	10.89	10.79	10.89	—0.02	24,917
Oct 97	10.98	10.79	10.88		14,642
Est. sales 10,517 Tue's. sales 9,988					
Tue's open int 154,779 off 1133					

	High	Low	Close	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Jan 97	77.60	74.35	75.60	—0.05	2,703
Mar 97	81.80	78.65	79.80	—0.35	18,530
May 97	85.65	82.75	83.30	—0.95	4,642
Jul 97	88.95	86.80	86.60	—1.35	989
Est. sales N.A. Tue's. sales 5,092					
Tue's open int 27,394 off 132					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Jan 97			365.70	—2.60	
Feb 97	369.40	366.50	366.60	—2.60	93,044
Mar 97			367.60	—2.70	
Apr 97	371.50	368.40	368.70	—2.70	23,888
Jun 97	373.80	371.00	371.10	—2.70	16,297
Aug 97			373.50	—2.70	5,495
Oct 97			376.00	—2.70	2,367
Dec 97	381.00	379.00	378.50	—2.70	14,323
Est. sales 35,000 Tue's. sales 16,699					
Tue's open int 189,885 up 4748					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Jan 97	104.60	102.30	104.60	+1.75	5,424
Feb 97	103.30	101.30	103.30	+2.15	1,647
Mar 97	102.30	99.50	102.15	+1.90	20,724
Apr 97	100.40	100.40	100.55	+1.60	967
May 97	99.30	97.20	99.15	+1.70	4,358
Jun 97			98.45	+1.40	763
Jul 97	97.30	96.10	97.35	+1.30	3,510
Aug 97	95.20	95.20	96.45	+1.45	576
Sep 97			95.70	+1.70	2,632
Est. sales N.A. Tue's. sales 4,423					
Tue's open int 49,176 up 981					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Jan 97			469.0	—5.0	421
Feb 97			471.3	—5.4	2
Mar 97	483.5	472.0	473.2	—5.8	56,360
May 97	484.5	476.5	477.7	—5.7	9,332
Jul 97	488.0	481.0	482.3	—5.6	8,365
Sep 97	488.0	488.0	486.9	—5.5	3,028
Dec 97	499.0	493.0	493.7	—5.5	4,995
Jan 98			496.5	—5.5	6
Est. sales N.A. Tue's. sales 23,507					
Tue's open int 84,693 up 2033					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Jan 97	369.00	366.00	365.60	—3.70	2,209
Apr 97	374.30	370.50	371.10	—3.50	18,431
Jul 97	376.00	374.00	373.80	—3.50	2,151
Oct 97			376.50	—3.50	2,148
Jan 98	381.50	381.50	379.20	—3.50	1,059
Est. sales N.A. Tue's. sales 4,442					
Tue's open int 25,990 up 135					

LONDON METALS (LME) Dollars per metric ton

			Close		Previous
Aluminum (High Grade)					
Spot	1519½	1520½		1515.00	1515½
Forward	1550.00	1551.00		1545.00	1546.00
Copper Cathodes (High Grade)					
Spot	2270.00	2275.00		2216½	2217½
Forward	2161.00	2163.00		2129.00	2130.00
Lead					
Spot	706.00	707.00		701.00	701½
Forward	707.00	707½		702.00	703.00
Nickel					
Spot	6475.00	6485.00		6335.00	6346.00
Forward	6570.00	6580.00		6435.00	6440.00
Tin					
Spot	5780.00	5790.00		5775.00	5785.00
Forward	5840.00	5845.00		5835.00	5840.00
Zinc (Special High Grade)					
Spot	1037½	1038½		1045.00	1046.00
Forward	1059.00	1060.00		1064½	1065.00

	High	Low	Close	Chge	Opint
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.98	94.90	94.91	—0.05	5,146
Jun 97	94.83	94.74	94.74	—0.09	2,400
Sep 97			94.58	—0.14	31
Est. sales N.A. Tue's. sales 221					
Tue's open int 7,577 off 104					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	106-255	106-03	106-07	— 12	150,808
Jun 97	106-155	105-29	105-30	— 12	2,706
Est. sales 45,000 Tue's. sales 22,311					
Tue's open int 153,594 up 3917					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	109-11	108-08	108-14	— 22	286,436
Jun 97	108-23	107-23	107-27	— 22	10,922
Sep 97			107-11	— 23	188
Est. sales 60,000 Tue's. sales 30,915					
Tue's open int 297,548 up 4466					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	112-31	111-05	111-12	—1 08	427,094
Jun 97	112-13	110-21	110-28	—1 08	15,589
Sep 97	111-31	110-11	110-14	—1 08	5,145
Dec 97			110-00	—1 09	3,742
Est. sales 330,000 Tue's. sales 150,826					
Tue's open int 451,626 up 5150					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar 97	109-18	108-08	109-13	— 1-17	133,127
Jun 97	N.T.	N.T.	107-23	— 1-17	
Est. sales: 29,457. Prev. sales: 4,323					
Prev. open int.: 133,139 up 274					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar 217.343					
Jun 97	99.31	99.30	98.49	— 1.43	249
Est. sales: 99,413. Prev. sales: 7,022					
Prev. open int.: 217,592 off 913					
217,592					

	High	Low	Close	Chge	Opint
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	128.58	127.82	127.94	— 0.38	125,745
Jun 97	127.14	127.04	126.64	— 0.38	8,943
Sep 97	125.14	125.14	124.64	— 0.38	0
Dec 97	N.T.	N.T.	94.14	—	
Est. volume: 100,759. Open int.: 4,588 off 313					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	128.85	127.20	127.30	— 2.10	89,294
Jun97	128.17	128.17	126.83	— 2.09	1,300
Est. sales: 20,711. Prev. sales: 6,626					
Prev. open int.: 90,594 up 1,287					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Jan 97	94.475	94.430	94.435	—35	23,526
Feb 97	94.460	94.400	94.400	—50	4,524
Mar 97	94.460	94.360	94.380	—60	409,628
Jun 97	94.310	94.170	94.190	—90	322,563
Mar 00	93.340	93.190	93.200	—100	38,659
Jun 00	93.280	93.130	93.140	—100	35,370
Sep 00	93.240	93.090	93.100	—100	31,340
Dec 00	93.160	93.010	93.020	—108	24,988
Est. sales N.A. Tue's. sales 173,730					
Tue's open int 2,052,369 up 4317					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.7028	1.6810	1.6902	—222	39,790
Jun 97	1.6996	1.6790	1.6854	—220	2,167
Sep 97			1.6806	—218	1,027
Dec 97			1.6758	—216	7
Est. sales N.A. Tue's. sales 11,483					
Tue's open int 42,991 up 3897					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7330	.7297	.7298	—34	51,947
Jun 97	.7371	.7334	.7335	—37	12,231
Sep 97	.7407	.7375	.7367	—40	4,310
Dec 97	.7437	.7408	.7397	—43	309
Est. sales N.A. Tue's. sales 2,988					
Tue's open int 68,803 up 191					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.6533	.6497	.6522	—9	52,745
Jun 97	.6565	.6537	.6561	—9	4,519
Sep 97			.6600	—9	1,774
Dec 97			.6639	—9	17
Est. sales N.A. Tue's. sales 34,895					
Tue's open int 59,115 up 6079					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.008756	.008710	.008742	+29	58,048
Jun 97	.008866	.008840	.008856	+30	1,451
Sep 97			.008972	+31	275
Est. sales N.A. Tue's. sales 9,985					
Tue's open int 59,781 up 534					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.7520	.7473	.7488	—32	41,766
Jun 97	.7580	.7545	.7557	—32	1,538
Sep 97			.7627	—32	1,799
Est. sales N.A. Tue's. sales 7,910					
Tue's open int 45,105 off 667					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.32	93.26	93.30	+ 0.01	98,380
Jun97	93.07	93.02	93.03	— 0.05	85,754
Sep97	92.88	92.82	92.83	— 0.07	57,183
Dec97	92.71	92.65	92.65	— 0.08	44,483
Mar98	92.59	92.55	92.54	— 0.08	33,072
Jun98	92.50	92.45	92.45	— 0.08	
Sep98	92.41	92.39	92.38	— 0.07	18,494
Dec98	92.35	92.27	92.27	— 0.10	16,415
Mar99	92.28	92.21	92.21	— 0.11	7,943
Jun99	92.17	92.11	92.11	— 0.10	5,426
Sep99	92.12	92.12	92.06	— 0.10	4,545
Dec99	92.08	92.05	92.00	— 0.13	157
Est. sales: 34,150. Prev. sales: 8,717					
Prev. open int.: 394,820 up 1,652					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Mar97	96.88	96.87	96.88	Unch.	206,066
Jun97	96.83	96.79	96.82	— 0.02	168,187
Sep97	96.69	96.66	96.66	— 0.05	
Dec97	96.50	96.44	96.45	— 0.07	
Mar98	96.28	96.21	96.21	— 0.09	82,615
Jun98	96.00	95.93	95.92	— 0.11	65,510
Sep98	95.69	95.64	95.61	— 0.13	61,887
Dec98	95.39	95.32	95.31	— 0.12	
Mar99	95.09	95.05	95.02	— 0.14	
Jun99	94.82	94.81	94.74	— 0.14	20,641
Sep99	94.56	94.56	94.49	— 0.14	
Dec99	94.29	94.28	94.21	— 0.14	1,640
Est. sales: 66,902. Prev. sales: 9,176					
Prev. open int.: 973,592 off 237					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.71	96.69	96.69	— 0.02	70,399
Jun 97	96.70	96.67	96.67	— 0.03	35,769
Sep 97	96.64	96.60	96.60	— 0.05	27,714
Dec 97	96.54	96.51	96.51	— 0.05	19,630
Mar 98	96.37	96.34	96.34	— 0.08	14,975
Jun 98	96.19	96.14	96.14	— 0.08	11,994
Sep 98	95.93	95.87	95.88	— 0.07	11,119
Dec 98	95.62	95.58	95.58	— 0.09	8,289
Mar 99	95.32	95.29	95.29	— 0.07	11,163
Jun 99	95.02	95.02	95.02	— 0.09	5,810
Sep 99	94.75	94.75	94.75	— 0.09	2,117
Dec 99	94.52	94.48	94.48	— 0.09	545
Est. volume: 19,309. Open int.: 219,524 up 415.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.51	93.40	93.40	— 0.12	94,231
Jun97	93.92	93.79	93.81	— 0.13	54,198
Sep97	94.12	93.98	93.98	— 0.13	29,587
Dec97	94.14	94.02	94.02	— 0.13	15,850
Mar98	94.10	94.02	94.02	— 0.10	12,174
Jun98	94.04	93.97	93.97	— 0.11	2,283
Est. sales: 9,773. Prev. sales: 2,452					
Prev. open int.: 208,243 up 122					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	75.65	74.95	75.38	+0.23	22,381
May 97	76.75	76.25	76.55	+0.12	13,042
Jul 97	77.55	77.20	77.52	+0.17	7,658
Oct 97	77.50	77.40	77.35	+0.03	1,294
Dec 97	77.00	76.85	76.95	+0.02	9,881

	High	Low	Close	Chge	Opint
Mar 98	77.85	77.80	77.85	—0.05	484
Est. sales N.A. Tue's. sales 5,954					
Tue's open int 55,857 up 130					
HEATING OIL (NMER) 42,000 gal- cents per gal					
Feb 97	72.80	71.00	72.11	+0.04	39,209
Mar 97	70.10	69.08	69.67		14,059
Apr 97	66.35	65.50	66.02	—0.05	8,473
May 97	63.20	62.40	62.87	—0.10	4,189
Jun 97	60.85	60.70	60.72	—0.15	5,165
Jul 97	59.75	59.50	59.77	—0.20	3,073
Aug 97			59.77	—0.20	3,208
Sep 97			60.02	—0.25	2,863
Oct 97			60.27	—0.25	1,776
Nov 97			60.52	—0.25	1,262
Est. sales N.A. Tue's. sales 33,843					
Tue's open int 95,408 off 4254					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Feb 97	26.05	25.60	25.69	—0.23	100,654
Mar 97	25.35	24.95	25.07	—0.17	39,469
Apr 97	24.62	24.25	24.38	—0.16	25,066
May 97	23.88	23.65	23.73	—0.16	18,480
Jun 97	23.27	23.03	23.11	—0.16	28,535
Jul 97	22.68	22.49	22.57	—0.16	14,622
Aug 97	22.18	22.08	22.09	—0.16	12,979
Sep 97	21.70	21.66	21.65	—0.16	13,279
Oct 97			21.24	—0.17	8,899
Nov 97	20.95	20.80	20.90	—0.17	8,373
Dec 97	20.75	20.52	20.64	—0.17	24,184
Jan 98	20.45	20.42	20.43	—0.18	8,153
Feb 98	20.31	20.19	20.23	—0.18	5,381
Est. sales N.A. Tue's. sales 42,425					
Tue's open int 364,170 up 5199					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Feb 97	2.920	2.660	2.890	+133	34,053
Mar 97	2.645	2.410	2.623	+142	18,185
Apr 97	2.350	2.150	2.350	+134	11,051
May 97	2.236	2.060	2.235	+149	8,464
Jun 97	2.210	2.060	2.200	+134	8,048
Jul 97	2.210	2.070	2.200	+140	7,157
Aug 97	2.210	2.060	2.210	+150	6,521
Sep 97	2.210	2.065	2.200	+135	6,162
Oct 97	2.215	2.130	2.215	+127	6,342
Nov 97	2.315	2.180	2.315	+120	3,498
Dec 97	2.428	2.310	2.410	+125	6,482
Est. sales N.A. Tue's. sales 19,813					
Tue's open int 143,846 up 906					
UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal					
Feb 97	71.80	70.10	71.10	+0.27	32,306
Mar 97	71.00	69.60	70.34	+0.01	11,082
Apr 97	71.90	71.00	71.58	—0.05	5,617
May 97	71.20	70.50	70.83	—0.10	3,334
Jun 97	69.70	69.15	69.43	—0.15	3,246
Jul 97			67.66	—0.22	1,501
Est. sales N.A. Tue's. sales 21,963					
Tue's open int 59,806 off 800					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Jan 97	232.75	228.75	232.00	+8.25	16,852
Feb 97	227.25	223.50	226.25	+7.75	20,623
Mar 97	217.50	213.75	215.00	+5.25	8,663
Apl 97	207.00	204.00	205.25	+4.75	6,757
May 97	197.75	197.75	197.75	+3.75	3,211
Jun 97	194.00	190.75	192.25	+3.50	7,422
Jul 97	192.00	188.25	188.75	+1.75	2,517
Aug 97	189.00	187.50	188.75	+2.50	990
Sept 97	188.25	188.25	187.00	+1.25	508
Oct 97	N.T.	N.T.	186.50	+1.25	847
Nov 97	186.50	186.50	186.00	+1.25	80
Est. sales:21,542. Open int.:70,578 off 1,870					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Feb 97	24.61	24.04	24.22	+0.41	57,464
Mar 97	23.91	23.44	23.60	+0.36	36,208
Apr 97	23.15	22.81	22.86	+0.27	17,081
May 97	22.60	22.20	22.20	+0.21	11,051
June 97	22.00	21.63	21.55	+0.15	13,246
July 97	21.34	21.34	21.02	+0.12	9,914
Aug 97	20.76	20.63	20.52	+0.07	2,582
Sep 97	N.T.	N.T.	20.12	+0.05	4,895
Oct 97	19.95	19.95	19.79	+0.08	3,047
Nov 97	19.65	19.65	19.49	+0.10	2,207
Est. sales: 28,116. Open int.: 161,476 off 130					

Stock Indexes

	High	Low	Close	Chge	Opint
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	749.50	733.25	740.60	—3.90	181,732
Jun 97	756.15	740.00	742.00	—9.15	5,502
Sep 97	763.15	747.70	751.30	—6.85	1,485
Est. sales N.A. Tue's. sales 44,206					
Tue's open int 189,266 off 1361					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4104.0	4065.0	4062.0	— 62.0	54,360
Jun97	N.T	N.T	4086.0	— 62.0	2,594
Est. sales: 12,255. Prev. sales: 3,763					
Prev. open int.: 56,954 up 72					
CAC 40 (MATIF) FF200 per index point					
Jan 97	2292.0	2254.0	2256.0	— 64.00	19,447
Feb 97	2294.5	2270.0	2261.0	— 63.50	2,788
Mar 97	2303.0	2265.0	2267.0	— 63.50	15,106
Jun 97	N.T.	N.T.	2229.5	— 64.00	365
Sep 97	2266.0	2266.0	2239.0	— 64.00	6,326
Mar 98	N.T.	N.T.	2277.0	— 64.00	4,693
Sep 98	N.T.	N.T.	2251.0	— 64.00	660
Est. volume: 15,404. Open int.: 49,385 off 8,016.					

Commodity Indexes

	Close	Previous
Moody's	1,432.40	n.a.
Reuters	1,872.80	1,868.50
D.J. Futures	148.78	148.36
CRB	240.53	239.61

De Beers Terminates Agreement With Russia

Bloomberg Business News

JOHANNESBURG — De Beers, which controls the world distribution of gem diamonds, has terminated a purchasing contract with Russia, severing a key member from one of the world's longest-running cartels.

Analysts said it was too early to say whether the rift would be temporary. They said the lapse of the agreement on Wednesday could take months to affect prices because Russian producers have been selling diamonds outside the agreement for the past three years anyway.

The marketing arrangement, under which Russia sold more than $1 billion of uncut diamonds a year through the De Beers Central Selling Organization, ended after Moscow failed to approve a new agreement by a Tuesday deadline. Talks aimed at securing a new accord are expected to resume later this month.

In 1995, Russia accounted for about $1.1 billion of the Central Selling Organization's sales, or the 26 percent maximum allowed it under the lapsed agreement. In 1996, Russia delivered less than its quota, Gary Ralfe, managing director of the organization, said last month, declining to give a specific figure.

The Central Selling Organization sold a record $4.83 billion of rough diamonds in 1996, or about 75 percent of world sales.

A five-year marketing agreement between De Beers and Russia expired in 1995 but was extended for a year pending Moscow's approval of a new accord, reached in September.

On Dec. 18, De Beers told Moscow that it would stop buying under the extended agreement on Dec. 31. If the new agreement was not ratified by then, De Beers would be free to buy from Russian producers other than Almazy Rossii-Sakha, the state-owned exporter.

Politics and bureaucracy delayed ratification, De Beers said. Contributing to the delay were the Russian presidential elections, ministerial changes and arguments over the allotment of tax revenue from diamond sales between provincial governments and Moscow.

De Beers has complained that Russian producers were flouting the agreement, causing "substantial leakages" that could contribute to the destabilization of prices.

The old agreement called for Russia to sell 95 percent of its exportable rough diamond production through De Beers. Under the proposed new three-year agreement, Russia would be entitled to keep about 12.5 percent for sale on the open market, cutting its sales to the organization to about 87.5 percent of exportable output. Russia's quota of total sales through De Beers would remain at 26 percent.

Single Currency: Cracks in the Facade

In Critical Year, French-German Strains Likely to Intensify

By Tom Buerkle
International Herald Tribune

BRUSSELS — With Europe entering the decisive year in its drive for a single currency, the likelihood of a monetary union appears greater than ever.

Interest rates across the 15-nation European Union are at their lowest levels since the 1960s, laying the basis for sustained if modest growth. The currency turmoil that

NEWS ANALYSIS

whipsawed the bloc's economies from 1992 to 1995 has disappeared, and with the recent agreement on a stability pact to impose restraints on budget deficits, EU leaders have completed the technical preparations for the debut of the euro in 1999.

But beneath the surface calm, political tensions over monetary union continue to run high between France and Germany, the two linchpins of the project. The difficult negotiations over the stability pact revealed deep philosophical differences between Bonn and Paris, with Chancellor Helmut Kohl stressing budget discipline and sound money and President Jacques Chirac insisting that politicians retain the leeway to loosen policy in response to social pressures caused by high unemployment.

The French-German struggle is likely to intensify in coming months as it shifts to issues including the independence of the future European central bank and the appropriate monetary and exchange-rate policy for the euro, EU officials and analysts say.

"There are a couple of cracks appearing in the facade," said Richard Davidson, senior European economist at Morgan Stanley in London. "It has raised the risk to the process" of launching a single currency, he said.

The latest tensions revolve around French calls, renewed by Mr. Chirac at the EU summit meeting in Dublin last month, for a so-called stability council to coordinate economic policy among the countries that adopt a single currency.

The dispute is as old as the Maastricht treaty itself: Germany vetoed French suggestions for a European economic government when the treaty negotiations opened in 1989.

In theory, there is little separating Paris and Bonn. Finance Minister Jean Arthuis of France has suggested an informal group modeled on the Group of Seven nations. His German counterpart, Theo Waigel, has largely welcomed the idea, figuring that some kind of organization among countries adopting the euro will be needed to enforce the deficit limits contained in the stability pact.

But many German officials suspect that their French counterparts view the council as a vehicle to enable France to push for looser monetary and fiscal policies and to limit the independence of the European central bank. Those suspicions have been fueled by French descriptions of the council as a counterweight to the central bank and by calls by senior French politicians, including former President Valery Giscard d'Estaing, for a devaluation of European currencies against the dollar.

"There must be an interlocutor for the central bank," a senior French official said. The stability pact itself, which was reached only after the personal intervention of Mr. Kohl and Mr. Chirac, demonstrated that serious economic disputes "go to the politicians; they can't be resolved by technicians," the official said.

But while acknowledging a need for policy coordination, German officials draw the line at anything that might curb the central bank's independence or lead to more inflation-prone policies.

"We don't see a need for, and wouldn't want, a counterweight to the European central bank," a senior German official said. "It has a clear task: centralizing monetary policy."

The debate over control of the European central bank and the level of the euro "shows that certain circles in France haven't yet really accepted the principle of the treaty of Maastricht," a Bundesbank official said, speaking on condition of anonymity. "We will have a common monetary policy, and this will lead, whether you like it or not, to a certain limitation on sovereign fiscal policies."

Already, officials in Bonn are watching closely to see whether the French government will signal any softening of its stance when it fills two openings on the monetary-policy committee of the Bank of France. Both seats currently are held by defenders of Paris's "strong franc" policy, but Mr. Chirac reportedly has insisted that one critic of that policy, an advocate of rapid rate cuts to stimulate the economy, be included on the list of candidates.

Dutch officials worry that the dispute could dominate their presidency of the Union, which began this month. The EU summit meeting scheduled for Amsterdam in June is supposed to approve a legal text of the stability pact that was reached in Dublin. Dutch diplomats expect Mr. Chirac to demand an agreement on a stability council before signing off on the stability pact.

"You have to be clear about the French," a Dutch diplomat said. "They don't want the stability council to talk about fiscal policy. They want it to control the central bank. That goes against the philosophy of a number of member states."

But France has its allies, too, particularly southern EU countries and socialist governments more concerned about Europe's 11 percent unemployment rate than about the stability of the euro.

"I suspect the French have lots of support," said Alan Donnelly, a member of the European Parliament from the Labour Party in Britain. "There's a growing feeling that with slow growth, you can't let too many levers of economic policy slip out of national control."

OUTLOOK: *U.S. Executives Alter Their Tactics – Revenue Growth Is New Goal*

Continued from Page 11

creases of the 1970s to provoke a significant downturn.

"If you consult what you used to, you don't see a recession coming," Lawrence Bossidy, chairman of AlliedSignal Inc., said.

The year many chief executives do see coming looks a lot like 1996, with some sectors, such as high technology, growing fast, while others, like paper and textiles, idle in neutral.

"In some areas we're going like hell, and in some areas we're cautious," said Livio DeSimone, chairman of Minnesota Mining & Manufacturing Co. "If you add up all of it, you get a picture that's O.K."

But the fact that the economy is growing slowly does not mean that individual companies must poke along. Many big companies have now switched their focus away from cost-cutting and downsizing and toward revenue growth.

Du Pont, for example, "took out $3 billion in costs and cut 40,000 people" in the early 1990s, Mr. Krol said. "Now, we have to start to grow the revenue line and keep a close check on productivity." He is aiming for a 6 percent to 8 percent increase in sales in 1997, compared with 3 percent in the past few years, plus a productivity improvement of 2 percent to 4 percent, compared with about 6 percent the past few years.

Mr. Bossidy is shooting for a 12 percent increase in AlliedSignal's sales in 1997, with about 8 percent coming from current business lines and the rest from acquisitions.

Most of that will have to be real growth, executives said, because there is little room to raise prices in today's highly competitive environment. 3M, for example, expects to mark up prices by just 1 percent in 1997.

Neither that nor the age of the expansion is necessarily prompting executives to manage more cautiously, but some said it would change their emphasis.

"When you look at operating budgets, and there's nothing there for a price increase because you can't get it, you spend more time emphasizing growth in sales and productivity," Mr. Bossidy said.

To him, that means "a lot more market segmentation, trying with as many new ideas and resources allocated to it as we can, and acquisitions." AlliedSignal's capital investment and research and development budgets will see double-digit increases this year.

Meanwhile, Mr. Bossidy is seeking a 7 percent improvement in productivity this year, compared with 6 percent in 1996.

AlliedSignal's plans, while hardly universal, seem to be only a little more aggressive than many others in corporate America.

Even in retailing, where growth is expected to parallel the economy and force consolidation, Sears, Roebuck & Co. plans to spend $750 million to add 25 department stores, upgrade some stores and open more specialty stores.

"I don't believe you pull back on capital expenditures unless you're at risk on the balance sheet," said Arthur Martinez, chairman of Sears.

For an increasing number of large companies, much growth is expected to come from their efforts to globalize.

"The U.S. is in a pretty good position now," Mr. Bossidy said. "We've got good costs, and we're better competitively than ever. We'll increase our world market share.

"But you've got to have a good long-range road map, and be nimble and flexible enough to change it, to respond to whatever happens out there."

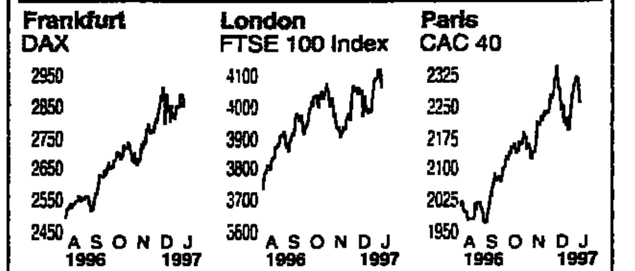
Consider Pfizer's situation. In the United States, "the health care sector was growing at 10 to 12 to 15 percent a year in the early 1990s," Mr. Steere said.

"But now it will probably grow at the same rate as the economy over all." As a result, he said, "our fastest growth is in emerging markets."

Indeed, executives' optimistic visions for 1997 are founded in part on expectations that economic conditions overseas will also improve.

The outlook in Europe, Latin America and especially Asia looks better than last year, executives said, although Japan remains a question mark. Mr. DeSimone of 3M says that "Japan is coming along reasonably strong and will be better in '97." But Mr. Krol said, "It may be flat to a little down."

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	EOE	634.41	648.24	-2.13
Brussels	BEL-20	1,871.05	1,895.49	-1.29
Frankfurt	DAX	2,848.77	2,888.69	-1.38
Copenhagen	Stock Market	470.14	471.95	-0.38
Helsinki	HEX General	N.A.	2,495.93	-
Oslo	OBX	531.80	532.58	-0.15
London	FTSE 100	4,057.40	4,118.50	-1.48
Madrid	Stock Exchange	434.54	444.77	-2.30
Milan	MIBTEL	10,488.00	10,571.00	-0.79
Paris	CAC 40	2,256.97	2,315.73	-2.54
Stockholm	SX 16	2,490.29	2,527.42	-1.47
Vienna	ATX	1,134.87	1,140.19	-0.47
Zurich	SPI	Closed	2,511.88	-

Source: Telekurs International Herald Tribune

Very briefly:

- **General Electric Co.** of Britain sold its Satchwell Controls division, which makes and installs automation systems for industrial and commercial buildings, to **Siebe PLC** for £80 million ($136.9 million) as part of its strategy to sell what it terms underperforming businesses.
- **Axel Springer Verlag AG** sold its 24.9 percent stake in **DSF Deutsches Sportfernsehen GmbH**, a sports channel, to **Kirch Group's** Taurus Vermoegensverwaltungs GmbH unit. The price was not disclosed.
- **Germany's** economy will grow because of strong exports in 1997, but the growth will not be large enough to reduce unemployment, the German Economics Institute said.
- **Bis SA**, a French temporary-employment company, appointed a board member, Claude Charbonniaud, as chairman to succeed Laurent Negro, who died last weekend.
- **The Irish Stock Exchange's** ISEQ index was expanded to include seven Northern Ireland companies, raising its total market capitalization by 7 percent.
- **France's** new-car registrations rose 10.5 percent last year from 1995, to 2,132,000.
- **Volvo AB's** Volvo Aero Corp. aerospace unit raised its stake in **AGES**, a U.S. company that trades and leases airplane motors and other parts, to 51 percent from 25 percent in a $43 million transaction.
- **McDonald's Restaurants Ltd.** plans to create 5,000 jobs in Britain by investing £116 million to open more than 100 fast-food outlets.

Bloomberg, Reuters, AFX, AFP

Samsung Drops Fokker

Bloomberg Business News

AMSTERDAM — The South Korean government has ruled out a takeover of Fokker NV, the bankrupt maker of regional jets, by a Korean consortium led by Samsung Aerospace Industries Ltd., the Dutch Economics Ministry said Thursday.

A letter sent from Samsung to Fokker's liquidators expressing its "regrets" has been passed on to the Dutch ministry, Marjolein Wester, a government spokeswoman, said.

According to Ms. Wester, Seoul left the door open for future negotiations "if Fokker is resurrected in another way first."

The official withdrawal from bidding by the consortium, which included Hyundai Corp., Hanjin Heavy Industries and Daewoo Corp., came five weeks after Fokker's receivers themselves gave up hope for the takeover.

Prospects for an agreement worsened in November when Fokker's suppliers said they were no longer willing to provide the company with parts.

WORLD STOCK MARKETS

Thursday, Jan. 2
Prices in local currencies.
Telekurs

Amsterdam
EOE index: 634.41 Previous: 648.24

	High	Low	Close	Prev.
ABN-AMRO	110.50	108.10	108.50	112.40
Aegon	112.40	108.80	108.80	110.10
Ahold	108	104.60	105	108
Akzo Nobel	234.60	231.70	232.30	236
Baan Co.	63	60.60	61	60.80
Bols Wess cva	32.10	31.30	32	31.80
CSM cva	95.80	94.10	94.30	96
Dordtsche Pet	318.40	315	316	324.50
DSM	169.50	166.10	166.50	170.40
Elsevier	29.20	28.60	28.60	29.20
Fortis Amev	60.20	59	59.50	60.50
Getronics	46.70	45.50	46.30	46.90
G-Broc cva	53.40	52.80	53.30	53.90
Hagemeyer	138.10	136.10	136.30	138.10
Heineken	304.30	301.80	301.80	305.80
Hoogovens cva	71.60	71	70.90	72
Hunt Douglas	116.50	115	116.50	116.50
ING Group	61.50	60.30	60.80	62.20
KLM	48.70	47.60	47.70	48.60
KNP BT	37.50	36.50	36.50	37.70
KPN	65.20	64	64.30	65.90
Nedlloyd Gp	46.90	46.20	46.20	47.40
Nutricia	262.20	259	259	262.50
Oce Grinten	188.90	184.50	187.10	187.60
Philips Elec	69.30	67.90	68.20	70
Polygram	86.20	84	84.20	88
Randstad Hdg	125.20	121.80	125.20	124.80
Robeco	141.70	141	141	144.50
Rodamco	49.90	49.60	49.70	50
Rolinco	147.60	147	147	150
Rorento	105.60	105.20	105.20	106.30
Royal Dutch	299.10	295.20	296	302.90
Unilever cva	304.60	299	299.30	305.60
Vendex Intl	76.80	73.30	75.10	73.90
VNU	36.20	35	35.30	36.10
Wolters Kl cva	229.50	225	227.40	229.50

Bangkok
SET index: 802.13 Previous: 831.57

	High	Low	Close	Prev.
Adv Info Svc	220	210	218	218
Bangkok Bk F	248	236	242	246
Krung Thai Bk	49.25	47	47.50	50
PTT Explor	370	368	368	370
Siam Cement F	804	796	796	804
Siam Com Bk F	185	173	174	186
Telecomasia	52.50	48.75	49	53.50
Thai Airways	37.50	35.75	36.25	37.25
Thai Farm Bk F	160	157	160	160
Utd Comm	175	166	169	174

Bombay
Sensex 30 index: 3225.14 Previous: 3268.56

	High	Low	Close	Prev.
Bajaj Auto	921	875	893.25	920.25
Hindust Lever	814.50	808	809.25	817
Hindust Petm	335	330.75	330.75	335
Ind Dev Bk	93.25	91.25	92.75	93.25
ITC	346	337.50	339.25	343
Mahanagar Tel	241	233.25	234	236.50
Reliance Ind	220	212.50	213.25	218
State Bk India	249.75	239.50	241	246.50
Steel Authority	23.25	21.25	22.25	21.25
Tata Eng Loco	364	353.50	356.25	362

Brussels
BEL-20 index: 1871.05 Previous: 1895.49

	High	Low	Close	Prev.
Almanij	10475	10475	10475	10400
Barco Ind	5470	5380	5420	5480
BBL	6620	6520	6620	6730
Bekaert	20000	19950	20025	20150
CBR	2945	2840	2840	2885
CNP	1940	1940	1940	2000
Cobepa	1288	1282	1284	1296
Cockerill	119	115	115	118
Colruyt	14350	14150	14350	14550
Delhaize Lion	1890	1850	1850	1885
Electrabel	7510	7360	7430	7510
Electrafina	3015	2995	3015	3015
Fortis AG	5160	4940	4970	5090
Gevaert	2230	2190	2230	2200
GIB	1418	1400	1412	1422
GBL	4085	4025	4025	4085
Gen Banque	11450	11225	11275	11375
Kredietbank	10400	10050	10200	10400
Petrofina	10175	10050	10100	10100
Powerfin	4800	4760	4790	4850
Royale Belge	6590	6500	6500	6550
Soc Gen Belg	2470	2435	2435	2490
Solvay	19500	19275	19300	19425
Tractebel	14775	14700	14725	14775
UCB	83000	81250	81400	82700
Union Miniere	2140	2100	2100	2150

Copenhagen
Stock index: 470.14 Previous: 471.95

	High	Low	Close	Prev.
BG Bank	276	271	271	276
Carlsberg B	395	390	395	398
Codan Fors	790	770	780	780
Danisco	359	353	353	358
Den Danske Bk	474	464	474	475
D/S Svendborg B	222000	219500	222000	221000
D/S 1912 B	155000	151000	154750	151500
FLS Ind B	N.T.	N.T.	N.T.	755
Kob Lufthavne	613	599.40	612	600
Novo Nordisk B	N.T.	N.T.	N.T.	1110
Sophus Ber B	760	745	755	758
Tele Danmk B	325	309	321	325
Tryg Baltica	301	296	298	300
Unidanmark A	306	302	303	305

Frankfurt
DAX: 2848.77 Previous: 2888.69

	High	Low	Close	Prev.
AMB B	980	980	1000	1000
Adidas	132.50	129.20	130.80	133
Allianz Hdg	2746	2733	2746	2800
Altana	1204.50	1190	1196	1198
Bk Berlin	28.10	27.70	27.98	28
BASF	58.90	58.02	58.02	59.28
Bayer Hypo Bk	46.05	45.25	45.55	46.55
Bay.Vereinsbank	62.50	61.75	62.50	63.20
Bayer	62	61.73	61.77	62.80
Beiersdorf	77.10	75.80	75.80	76.10
BMW	1063	1053	1053	1073
Commerzbank	38.85	38.20	38.75	39.10
Daimler Benz	104.65	103.90	104.60	106
Degussa	685	675	675	696.50
Deutsche Bank	71.75	71.37	71.70	71.90
Deut Telekom	32.40	31.85	32.34	32.45
Dresdner Bank	45.70	45.30	45.30	46.18
Fresenius	307	295	295	310
Fresenius Med	131.50	131.10	131.20	131.70
Fried. Krupp	249	245	243	249
Gehe	98.70	97.60	97.60	98.50
Heidelbg Zmt	128	124	128	124.50
Henkel pfd	76.80	75.70	76.55	77.30
Hochtief	62.50	61.25	61.50	61
Hoechst	70.90	70.05	70.08	72.70
Karstadt	510	503	505	520
Linde	938	932	938	940
Lufthansa	21.70	20.60	21.10	21
MAN	377	367.50	377	373
Mannesmann	672	661	671	667
Metallgesellschaft	31.70	31.40	31.60	31.50
Metro	123.80	120.50	123.80	124
Munch Rueck R	3910	3761	3775	3845
Preussag	349.50	343	349.50	348.50
RWE	64	63.40	63.70	65.20
SAP pfd	210	207.50	208.50	209.50
Schering	127.90	126.30	126.90	129.90
Siemens	72.10	71.40	71.90	72.58
Thyssen	273.80	268.70	273.80	273
Veba	88	87.60	88	89
VEW	493	491	491	495
Viag	599	594.50	598	604
Volkswagen	636.50	631	636.50	640

Helsinki
HEX General index: N.A. Previous: 2495.93

	High	Low	Close	Prev.
Cultor I	240	240	240	250
Enso A	37.40	37	37.40	36.90
Huhtamaki I	214	213	214	214
Kemira	57.50	57	57.20	58
Kesko	64.80	63.50	63.80	64.90
Merita A	14.30	14.10	14.20	14.30
Metra B	258	257	258	258
Metso-Serla B	34.90	34	34.60	34.50
Neste	111	110.50	111	112
Nokia A	265.50	263	264	266.80
Orion-Yhtymae	178	175	176.50	177
Outokumpu A	78.90	77.80	78	78.50
Rautaruukki	42.50	42	42.50	42.50
Sampo Insur	365	355	360	363
UPM-Kymmene	96	95.50	96	96.50
Valmet	80.50	79	80	81

Hong Kong
Hang Seng: 13203.44 Previous: 13451.58

	High	Low	Close	Prev.
Amoy Props	11	10.80	10.85	11.15
Bk East Asia	34.10	33.70	33.80	34.40
Cathay Pacific	12.20	11.85	11.85	12.25
Cheung Kong	69	67.50	68.25	68.75
CK Infrastruct	21.10	20	20.90	20.50
China Light	34.50	33.80	33.90	34.40
China Ocean Ld	3.98	3.80	3.83	3.90
China Res Ent	18.50	16.60	18.25	17.40
Chin Estates	8.85	8.50	8.70	8.60
Citic Pacific	45.30	43.60	45	44.90
Cons Elec Pwr	18.20	18.15	18.20	18.15
Cosco Pacific	9.05	8.80	8.90	9
Dao Heng Bk	37.30	36.80	37.30	37.10
First Pacific	10.30	9.80	10.10	10.05
Great Eagle	31.60	31.10	31.30	31.90
Guangdong Inv	7.85	7.20	7.50	7.45
Guoco Group	43.40	43	43.30	43.30
Hang Lung Dev	16.95	16.60	16.65	17
Hang Seng Bk	93	91.75	92	94
Henderson Inv	9.20	8.90	9	9.25
Henderson Ld	77	75.25	75.75	78
HKR Intl	13.10	12.85	13.10	13.05
HK China Gas	14.95	14.60	14.85	14.85
HK Electric	25.50	25.05	25.10	25.70
HK Shang Htls	14.40	14.05	14.05	14.60
HK Telecomm	12.40	12.10	12.15	12.40
Hopewell Hdgs	4.95	4.90	4.93	5
HSBC Hdgs	164.50	163	163.50	165.50
Hutchison Wh	60	58.50	58.50	60.75
Hysan Dev	30.40	29.85	29.85	30.80
Johnson El Hdg	21.30	20.70	21.05	21.40
Kerry Props	21.10	20.80	20.80	21.20
Natl Mutual	7.35	7.30	7.30	7.35
New World Dev	52.75	51	52.50	52
N World Infrastr	23.10	22.50	22.95	22.60
Oriental Press	3.48	3.38	3.40	3.40
Pearl Oriental	4.95	4.80	4.93	4.83
Shanghai Indus	28.50	27.50	28	28.20
Shangri-La Asia	11.35	11.25	11.25	11.45
SHK Props	93.50	92	92	94.75
Shun Tak Hdgs	5.15	5.05	5.10	5.10
Sino Land Co.	9.45	9.20	9.30	9.50
Sth China Post	6.35	6.20	6.25	6.60
Swire Pac A	74.25	72.50	72.75	74
Tsim Sha Tsui	15.70	15.40	15.70	15.50
TV Broadcasts	30.90	30.40	30.40	30.50
Wharf Hdgs	38.20	37.50	37.50	38.60
Wheelock	22	21.40	21.60	22.05

Jakarta
Composite index: 638.10 Previous: 637.43

	High	Low	Close	Prev.
Astra Intl	5325	5275	5325	5275
Bk Intl Indo	2350	2300	2325	2325
Bk Negara	1275	1250	1275	1250
Gudang Garm	10425	10250	10425	10200
Indocement	3575	3550	3550	3600
Indofood	4650	4600	4650	4700
Indosat	6500	6400	6400	6500
Sampoerna HM	12550	12450	12475	12600
Semen Gresik	7550	7500	7550	7600
Telekomunikasi	4125	4075	4100	4075

Johannesburg
All Market: 6616.86 Previous: 6657.53

	High	Low	Close	Prev.
Amalgamtd Bks	24	23.25	23.50	24
AngloAm Coal	355	355	355	355
AngloAm Corp	257.75	255	257.25	257.50
AngloAm Gold	355	355	355	354.25
AngloAm Ind	166.75	165.50	165.50	169.50
Barlow	41.85	41.40	41.85	41.50
C.G. Smith	22.75	22.50	22.50	22.85
De Beers	133.50	132	133.25	134
Driefontein	48.75	48	48.75	49.25
Fst Natl Bk	23	22.75	23	22.90
Gencor	17	16.90	17	17
GFSA	129	129	129	129
Iscor	3.32	3.30	3.31	3.34
Liberty Hdgs	320	320	320	320
Liberty Life	117	116.25	116.75	117.25
Minorco	98	97.75	98	98.25
Nampak	18.45	18.25	18.45	18.60
Nedcor	63.75	63.50	63.75	64
Rembrandt Gp	41.50	40.95	41.20	41.75
Richemont	65	64	65	65
Rust Platinum	64.75	63.75	64.50	64
SA Breweries	116.75	115.75	116.75	118.50
Samancor	54.75	54.75	54.75	55
Sasol	55	54.50	55	55.50
SBIC	184	184	184	184
Tiger Oats	62.50	62.50	62.50	65

Kuala Lumpur
Composite: 1230.53 Previous: 1237.96

	High	Low	Close	Prev.
Genting	17.70	17.30	17.50	17.40
Mal Banking	27.75	26	27.50	28
Mal Intl Ship F	7.50	7.45	7.45	7.50
Petronas Gas	10.50	10.20	10.20	10.50
Renong	4.56	4.40	4.52	4.48
Resorts World	11.80	11.50	11.70	11.50
Sime Darby	9.95	9.75	9.90	9.95
Telekom Mal	23	22.40	22.80	22.50
Tenaga	12	11.70	11.80	12.10
Utd Engineers	22.90	22.70	22.80	22.80

London
FT-SE 100: 4057.40 Previous: 4118.50

	High	Low	Close	Prev.
Abbey Natl	7.65	7.43	7.51	7.65
Allied Domecq	4.67	4.42	4.45	4.57
Anglian Water	5.90	5.83	5.83	5.90
Argos	7.69	7.56	7.56	7.69
Asda Group	1.24	1.22	1.23	1.23
Assoc Br Foods	4.85	4.80	4.83	4.85
BAA	4.88	4.80	4.83	4.84
Barclays	10.02	9.78	9.80	10.02
Bass	8.21	8.08	8.10	8.21
BAT Ind	4.88	4.78	4.82	4.85
Bank Scotland	3.10	3.03	3.04	3.08
Blue Circle	3.60	3.50	3.56	3.55
BOC Group	8.73	8.62	8.67	8.75
Boots	6.09	5.97	6.03	6.03
BPB Ind	3.83	3.77	3.77	3.85
Brit Aerosp	12.85	12.60	12.77	12.80
Brit Airways	6.08	5.96	5.99	6.07
BG	2.25	2.18	2.21	2.25
Brit Land	5.18	5.12	5.17	5.17
Brit Petm	7.01	6.82	6.85	7.01
BSkyB	5.22	5.14	5.18	5.24
Brit Steel	1.61	1.56	1.57	1.61
Brit Telecom	3.96	3.90	3.93	3.95
BTR	2.82	2.75	2.76	2.84
Burmah Castrol	11.08	10.93	10.95	11.01
Burton Gp	1.57	1.54	1.54	1.56
Cable Wireless	4.86	4.33	4.33	4.86
Cadbury Schw	4.93	4.80	4.89	4.93
Carlton Comm	5.19	5.07	5.08	5.15
Coml Union	6.84	6.65	6.65	6.84
Compass Gp	6.18	6.13	6.17	6.20
Courtaulds	3.96	3.86	3.95	3.95
Dixons	5.48	5.36	5.41	5.43
Electrocomponents	4.62	4.58	4.58	4.64
EMI Group	13.90	13.66	13.75	13.85
Enterprise Oil	6.49	6.36	6.38	6.45
Fam Colonial	1.50	1.48	1.48	1.50
Genl Accident	7.67	7.39	7.51	7.64
GEC	3.82	3.77	3.78	3.83
GKN	10.02	9.92	9.96	10.01
Glaxo Wellcome	9.48	9.25	9.27	9.48
Granada Gp	8.62	8.44	8.49	8.63
Grand Met	4.59	4.51	4.53	4.60
GRE	2.82	2.72	2.81	2.80
Greenalls Gp	5.87	5.83	5.87	5.88
Guinness	4.58	4.50	4.52	4.59
GUS	6.15	6.04	6.08	6.12
Hanson	0.83	0.80	0.82	0.82
Hays	5.61	5.53	5.56	5.62
HSBC Hldgs	12.72	12.40	12.56	12.73
ICI	7.69	7.57	7.58	7.69
Impl Tobacco	3.80	3.73	3.78	3.78
Kingfisher	6.32	6.23	6.28	6.34
Ladbroke	2.31	2.27	2.30	2.31
Land Sec	7.44	7.24	7.24	7.47
Lasmo	2.38	2.30	2.30	2.39
Legal Genl Grp	3.73	3.65	3.65	3.72
Lloyds TSB Gp	4.35	4.23	4.28	4.31
LucasVarity	2.24	2.18	2.21	2.23
Marks Spencer	4.91	4.79	4.85	4.91
MEPC	4.34	4.30	4.30	4.34
Mercury Asset	12.45	12.35	12.35	12.44
National Grid	2.01	1.93	1.97	1.96
Natl Power	4.89	4.78	4.80	4.89
NatWest	6.92	6.79	6.85	6.86
Next	5.68	5.58	5.58	5.68
Orange	1.88	1.85	1.86	1.87
P&O	5.90	5.83	5.88	5.90
Pearson	7.50	7.35	7.35	7.50
Pilkington	1.59	1.53	1.56	1.58
PowerGen	5.75	5.61	5.68	5.72
Premier Farnell	7.51	7.46	7.48	7.51
Prudential	4.94	4.87	4.90	4.92
Railtrack PP	3.86	3.78	3.81	3.88
Rank Group	4.36	4.28	4.31	4.38
Reckitt Colm	7.24	7.11	7.14	7.23
Redland	3.67	3.51	3.53	3.69
Reed Intl	11.02	10.83	10.87	11.05
Rentokil Initial	4.39	4.22	4.31	4.41
Reuters Hdgs	7.55	7.32	7.48	7.52
Rexam	3.63	3.57	3.61	3.64
RMC Group	9.98	9.86	9.94	9.98
Rolls Royce	2.58	2.50	2.53	2.58
Royal Bk Scot	5.64	5.42	5.44	5.64
RTZ reg	9.37	9.18	9.31	9.38
Royal & Sun All	4.48	4.38	4.38	4.46
Safeway	4.04	3.96	3.99	4.05
Sainsbury	3.91	3.80	3.86	3.88
Schroders	15.15	15	15.10	15.20
Scot Newcastle	6.87	6.75	6.77	6.87
Scot Power	3.53	3.47	3.47	3.53
Securicor	2.80	2.75	2.77	2.81
Severn Trent	6.76	6.60	6.72	6.69
Shell Transp R	10.12	9.91	9.92	10.12
Siebe	10.92	10.75	10.89	10.84
Smith Nephew	1.81	1.78	1.79	1.82
SmithKline	8.10	7.70	7.70	8.10
Smiths Ind	8.05	7.92	8.02	8.02
Sthern Elec	8	7.90	7.99	7.96
Stagecoach	6.97	6.95	6.97	7
Stand Charter	7.22	7.08	7.14	7.21
Tate & Lyle	4.75	4.69	4.73	4.74
Tesco	3.55	3.48	3.50	3.55
Thames Water	6.11	5.96	5.96	6.15
3i Group	4.88	4.83	4.87	4.87
TI Group	5.82	5.71	5.71	5.82
Tomkins	2.70	2.63	2.64	2.70
Unilever	14.17	13.98	14.02	14.17
Utd Assurance	4.93	4.80	4.92	4.81
Utd News	6.92	6.81	6.88	6.97
Utd Utilities	6.23	6.12	6.22	6.21
Vendome Lx uts	5.32	5.27	5.27	5.31
Vodafone	2.47	2.39	2.41	2.47
Whitbread	7.86	7.78	7.78	7.85
Williams Hdgs	3.44	3.33	3.34	3.44
Wolseley	4.62	4.54	4.58	4.64
WPP Group	2.55	2.50	2.52	2.53
Zeneca	16.48	16.17	16.17	16.48

Madrid
Bolsa index: 434.54 Previous: 444.77

	High	Low	Close	Prev.
Acerinox	18500	18000	18170	18760
ACESA	1775	1715	1730	1790
Aguas Barcelon	5470	5300	5380	5400
Argentaria	5750	5660	5700	5810
BBV	6980	6830	6860	7010
Banesto	1045	1005	1010	1005
Bankinter	19930	19720	19720	20130
Bco Centro Hisp	3300	3210	3250	3335
Bco Exterior	2780	2770	2780	2775
Bco Popular	25200	24960	25000	25500
Bco Santander	8240	8090	8090	8310
CEPSA	3945	3885	3840	3960
Continente	2615	2550	2550	2660
Corp Mapfre	7850	7730	7770	7910
Endesa	9190	9010	9050	9240
FECSA	1265	1200	1210	1280
Gas Natural	30150	29710	29760	30200
Iberdrola	1800	1705	1705	1840
Pryca	2725	2610	2635	2750
Repsol	4970	4905	4910	4980
Sevillana Elec	1420	1355	1365	1475
Tabacalera	5590	5480	5510	5590
Telefonica	3015	2970	2995	3015
Union Fenosa	1350	1270	1290	1395
Valenc Cement	1495	1465	1465	1480

Manila
PSE Index: 3154.48 Previous: 3170.56

	High	Low	Close	Prev.
Ayala B	29.50	29	29	28.50
Ayala Land	30	29	29.50	30
Bk Philip Isl	161	159	161	159
C&P Homes	14	13.75	14	13.50
Manila Elec A	125	123	125	125
Metro Bank	650	630	645	650
Petron	9.10	8.80	9	8.90
PCIBank	347.50	345	347.50	345
Phil Long Dist	1430	1370	1375	1445
San Miguel B	114	111	114	116
SM Prime Hdg	6.80	6.70	6.70	6.80

Mexico
Bolsa index: 3359.46 Previous: 3361.03

	High	Low	Close	Prev.
Alfa A	36.60	36.20	36.40	36.70
Banacci B	16.80	16.52	16.80	16.62
Cemex CPO	28.65	28.20	28.65	28.35
Cifra C	9.58	9.38	9.50	9.60
Emp Modema	39.00	38.80	38.80	39.00
Gpo Carso A1	43.00	41.40	42.30	41.70
Gpo Fin Inburse	26.95	26.70	26.95	26.90
Kimb Clark Mex	154.50	153.50	154.50	155.50
Televisa CPO	101.30	98.90	98.90	101.00
TelMex L	13.04	12.90	13.04	12.98

Milan
MIB Telematico: 10488.00 Previous: 10571.00

	High	Low	Close	Prev.
Alleanza Assic	10510	10260	10265	10595
Bca Comm Ital	2795	2745	2745	2760
Bca Fideuram	3325	3270	3300	3335
Bca di Roma	1209	1170	1175	1214
Benetton	18670	18355	18355	19190
Credito Italiano	1663	1641	1651	1666
Edison	9475	9260	9425	9600
ENI	7895	7710	7805	7785
Fiat	4590	4435	4460	4590
Generali Assic	28750	28100	28200	28750
IMI	12935	12500	12730	13000
INA	2005	1972	1987	1976
Italgas	6420	6300	6345	6335
Mediaset	7095	6930	6960	7000
Mediobanca	8250	8100	8130	8185
Montedison	1041	1026	1029	1034
Parmalat	2320	2290	2310	2320
Pirelli	2820	2800	2810	2815
RAS	14250	14000	14150	14150
Rolo Banca	14950	14600	14630	14640
S Paolo Torino	9385	9190	9240	9300
Stet	6470	6295	6300	6400
Telecom Italia	3970	3875	3950	3940
TIM	3855	3770	3795	3835

Montreal
Industrials index: 2769.78 Previous: 2773.12

	High	Low	Close	Prev.
Bce Mob Com	40.60	40.60	40.60	40.60
Cdn Tire A	22.65	21.90	22.65	22.65
Cdn Util A	30.70	30.40	30½	30.70
CT Fin'l Svc	32.45	32.45	32.45	32.50
Gaz Metro	17.30	17.10	17.10	17.15
Gt-West Lifeco	21¼	21.15	21¼	21¼
Hees Intl Bcp	20.45	20.30	20.40	20½
Imasco	33.60	32½	33.60	33.60
Investors Grp	26.95	26.60	26.90	27
Loblaw Cos	14.35	14.35	14.35	14.15
Natl Bk Canada	13.85	13.45	13.85	13.80
Power Corp	27½	26.85	27	27.35
Power Fin'l	48.80	48.50	48.70	48.80
Quebecor B	22.80	22.70	22.80	22.90
Rogers Comm B	9.90	9.80	9.90	10
Royal Bk Cda	48.10	47.10	48.10	48.10

Oslo
OBX index: 531.80 Previous: 532.58

	High	Low	Close	Prev.
Aker A	142	140	142	142
Bergesen Dy A	155	152	152	156
Christiania Bk	20.40	20	20.40	20.20
Den norske Bk	24.70	24.10	24.60	24.40
Elkem	106	104	106	105.50
Hafslund A	47	46.70	47	47
Kvaerner Asa	310	305	307	310.50
Norsk Hydro	343	340	343	345
Norske Skog A	213	210	210.50	213
Nycomed A	101	97	100	97.50
Orkla Asa A	448	445	446	445
Petm GeoSvc	255	251	255	249
Saga Petim A	109	105.50	108	106.50
Schibsted	116.50	116	116.50	117.50
Transocean Off	395	390	395	410
Storebrand Asa	37.40	36.90	36.90	37

Paris
CAC-40: 2256.97 Previous: 2315.73

	High	Low	Close	Prev.
Accor	642	631	634	657
AGF	166.50	163	163.80	167.50
Air Liquide	804	785	787	810
Alcatel Alsth	413.50	403	404.90	416.80
Axa	328.80	324.10	326	330
Bancaire	606	584	586	614
BNP	199.90	197.20	198.40	200.80
Bouygues	536	509	511	538
Canal Plus	1150	1121	1127	1146
Carrefour	3375	3260	3287	3376
CCF	240	232.10	234	240
Credit Local cl	456.60	445	449.70	452
Credit Lyon PC	132.50	130	130.10	133
Crown Cork Seal	270.10	270.10	270.10	290
Danone	725	712	715	723
Elf-Aquitaine	471	462.10	462.50	472.30
Eridania BS	829	806	807	835
Euro Disney	10.20	10.10	10.10	10.30
Eurotunnel uts	7	6.75	6.80	6.85
Gen. Eaux	640	625	629	643
Havas	367.50	347.30	354.80	364
Lafarge	312	305	308.90	311.30
Legrand	889	860	861	884
L'Oreal	1945	1876	1884	1954
LVMH	1450	1391	1396	1449
Lyon. Eaux	481.80	466	471.90	482.90
Michelin B	282	275.90	276.50	280.10
Navig Mixte	788	788	788	782
Paribas A	347	339	342.40	350.90
Pechiney SA	218.50	210	215	217.40
Pernod Ricard	285.60	278.60	278.70	287
Peugeot Cit	572	555	555	584
Pinault-Print	2040	2011	2011	2058
Promodes	1466	1428	1430	1465
Renault	111	107.50	107.50	111.50
Rh-Poulenc A	174.50	167.10	169.30	176.90
Roussel-Uclaf	1528	1527	1527	1527
Sanofi	523	502	508	516
Schneider	238.90	234	235	239.90
Ste Generale	557	547	548	561
St Gobain	732	718	721	734
St Louis	1290	1253	1264	1292
Suez	221.70	219	221.10	220.60
Thomson CSF	169.80	164.30	164.50	168.30
Total B	419	407	407	422
UAP	129.40	126	129.40	129.50
Valeo	320.90	311	317.80	320

Markets Closed

The Seoul, Singapore, Taiwan, Tokyo, Wellington and Zurich stock markets were closed Thursday for a holiday.

São Paulo
Bovespa index: 69555.40 Previous: 70399.50

	High	Low	Close	Prev.
Bco Brasil Pfd	9.00	8.80	9.00	9.00
Banespa Pfd	4.70	4.50	4.660	5.00
Bradesco Pfd	7.65	7.53	7.55	7.53
Brahma Pfd	568.00	563.00	565.00	568.00
Cemig Pfd	35.51	34.01	34.70	35.40
CESP Pfd	41.00	40.40	40.60	40.51
Eletrobras B	388.00	382.00	388.00	382.00
Itaubanco Pfd	440.00	433.00	433.00	450.00
Light	365.00	361.50	363.00	369.00
Paranapan Pfd	11.50	11.00	11.50	11.15
Petrobras Pfd	166.01	164.00	164.00	165.50
Sid Nacional	29.00	28.00	29.00	29.50
Souza Cruz	6.82	6.80	6.82	6.82
Telebras Pfd	79.80	78.40	78.55	80.00
Telesp Pfd	226.00	223.00	223.00	225.00
Usiminas Pfd	1.07	1.03	1.05	1.06
CVRD Pfd	20.10	19.50	19.60	20.00

Stockholm
SX 16 index: 2490.29 Previous: 2527.42

	High	Low	Close	Prev.
AGA BF	101	100	100	102
ABB AF	777	765	768	770
AssiDoman F	188	184	186.50	190
Astra AF	338.50	330	334.50	337
Atlas Copco AF	163.50	162	162	165
Avesta F	74	71	73	73.50
Electrolux BF	395.50	390	390.50	396
Ericsson BF	209.50	205	207.50	211
Hennes BF	965	932	962	944
Incentive AF	495	485	491	495
Investor BF	300	293	295	301.50
Kinnevik BF	187.50	183.50	185	188
MoDo BF	191	188	189	192
Pharm/Upjohn	274	268.50	269	279.50
Sandvik BF	185.50	181.50	183.50	185
SCA BF	140.50	137	138	138.50
S-E Banken AF	69.50	67	68	70
Skandia Fors F	193.50	189.50	189.50	193
Skanska BF	298	294.50	295	301.50
SKF BF	158	156	158	161.50
SSAB BF	116	112	114	114
Stora AF	93	91	92	94
Sv Handles AF	196	192	194	196
Sydkraft AF	148	146	146	148
Trelleborg BF	91	89	90	90.50
Volvo BF	150	148	149	150.50

Sydney
All Ordinaries: 2411.20 Previous: 2424.60

	High	Low	Close	Prev.
Amcor	8.08	7.96	8.06	8.09
ANZ Bking	7.96	7.81	7.94	7.93
BHP	17.88	17.64	17.82	17.92
Boral	3.60	3.50	3.57	3.58
Brambles Ind.	24.70	24.12	24.65	24.55
Burns Philp	2.30	2.18	2.28	2.24
CBA	12.03	11.94	11.99	12.04
CC Amatil	13.25	12.95	12.97	13.45
Coles Myer	5.25	5.15	5.23	5.18
Comalco	6.66	6.54	6.66	6.58
CRA Ltd	19.70	19.60	19.65	19.75
CSR	4.39	4.32	4.33	4.40
Fosters Brew	2.55	2.47	2.51	2.55
GIO Australia	3.21	3.18	3.18	3.22
Goodman Fld	1.58	1.53	1.57	1.56
ICI Australia	13.40	13.20	13.23	13.65
John Fairfax	2.85	2.82	2.84	2.85
Lend Lease	24.71	24.30	24.65	24.40
Mayne Nickless	8.58	8.47	8.47	8.60
MIM Hdgs	1.76	1.74	1.75	1.76
Nat Aust Bank	14.71	14.60	14.78	14.80
News Corp	6.63	6.55	6.59	6.64
North Ltd	3.68	3.65	3.67	3.68
Pacific Dunlop	3.19	3.12	3.15	3.20
Pioneer Intl	3.76	3.74	3.74	3.75
Placer Pacific	1.85	1.83	1.85	1.86
Santos	5.10	5.04	5.07	5.10
Southcorp	4	3.92	3.95	4
Wesfarmers	8.75	8.68	8.70	8.80
Wstrn Mining	7.91	7.80	7.80	7.93
Westfield Trt	2.39	2.37	2.39	2.38
Westpac Bking	7.12	7.11	7.17	7.16
Woodside Pet	9.05	9.05	9.11	9.19
Woolworths	3.05	2.99	3.05	3.03

Toronto
TSE Industrials: 5904.31 Previous: 5927.83

	High	Low	Close	Prev.
Abitibi Price	22	21½	22	21.70
Alberta Energy	32½	32¼	32¼	32.70
Alcan Alum	47¼	46.30	47¼	46¼
Anderson Expl	17¼	17.55	17.70	17.70
Bk Montreal	43.55	42½	43	43.60
Bk Nova Scotia	46	45	45.55	45.85
Barrick Gold	39.30	38¼	38.60	39¼
BCE	65.70	64.65	65	65.30
BC Telecomm	29.65	29.45	29.55	29.65
Biochem Pharm	68½	68¼	68½	68.35
Bombardier B	25.15	24.60	25.15	25.30
Brascan A	30½	30.40	30½	30½
Bre-X Minerals	22.55	21.80	22.55	21.70
Cameco	54.90	54	54	54.90
CIBC	60.15	59.05	59.90	60.45
Cdn Natl Rail	52.15	51¼	52.15	52.10
Cdn Nat Res	37½	36.35	36.85	37.60
Cdn Occid Pet	22.15	21.70	22	22.05
Cdn Pacific	36.80	35	35.85	36.05
Cominco	34½	34½	34½	34.10
Dofasco	26	25.65	26	25.90
Domtar	11.60	11½	11.60	11.60
Donohue A	24¼	24.55	24.70	24¼
Du Pont Cda A	32	32	32	31.95
EuroNev Mng	40.90	39.35	39.90	40.90
Fairfax Finl	292	287	290	290
Falconbridge	29.20	29.05	29.20	29.20
Fletcher Chall A	21¼	21.45	21.45	21.60
Franco Nevada	62	59.80	60½	62¼
Gulf Cda Res	10.05	9.95	9.95	10
Imperial Oil	64½	63.90	64.45	64½
Inco	44.15	43.60	43.95	43¾
IPL Energy	39.95	39.60	39¾	39.95
Laidlaw B	16	15¾	15.95	15.95
Loewen Group	54	53¾	54	53½
Macmill Bld	18.10	17½	18.10	17.95
Magna Intl A	78	76¾	77.15	76¾
Methanex	12.45	12.10	12.30	12.45
Moore	28.40	27½	28¼	28.40
Newbridge Net	39	37.60	38.40	38.85
Noranda Inc	30.55	30.30	30.40	30.55
Norcen Energy	30.35	30.15	30.15	30.40
Nthern Telecom	85.20	83.40	84.95	85.20
Nova	12.20	12.05	12.20	12.15
Onex	19.65	19½	19.65	19½
Pancdn Petm	54	53	53	54.10
Petro Cda	19.35	19¼	19.30	19.35
Placer Dome	29.90	29.05	29½	30.05
Poco Petm	13.10	12.85	13.05	13.10
Potash Sask	117	114.15	114.90	116.70
Renaissance	46.65	45.55	46	46.65
Rio Algom	30¾	30.40	30.55	30.60
Rogers Cantel B	27	26¾	27	27.15
Seagram Co	55¼	52.90	55¼	54¼
Shell Cda A	53½	53¼	53¼	53½
Stone Consold	19.60	19.30	19.55	19.60
Suncor	56½	55	56.45	56.70
Talisman Eny	45.95	44¾	45.95	45.60
Teck B	31¼	30.85	31	31¼
Teleglobe	40½	39.80	39.80	40½
Telus	20.10	19.90	20.10	19.90
Thomson	30¼	29¾	30¼	30¼
TorDom Bank	35.15	34.10	34.90	35.20
Transalta	17.05	16.85	17	17¼
TransCda Pipe	24.10	23.70	23.85	24
Trimark Finl	41.60	41	41.15	41½
Trizec Hahn	30.10	29.70	29.80	29.95
TVX Gold	10.70	10.40	10.60	10.70
Westcoast Eny	23.05	22¾	23.05	22.95
Weston	66.70	66½	66.60	66.85

Vienna
ATX Index: 1134.87 Previous: 1140.19

	High	Low	Close	Prev.
Aust Airlines	1530	1530	1530	1650
Brau-Un Goess	687	658	686	669
Bund Vers Pfd	380	380	380	395
Creditanst Pfd	500	480.10	496	500
EA-Generali	3195	3125	3140	3200
EVN	1626.80	1601	1626.80	1630
Interunfall	1481	1481	1481	1475
Lenzing	690	675	681	691
Leykam	283.50	279	281	283
Mayr-Melnhof	537	530	537	530
OMV	1209	1190.30	1206.50	1221
Oest Brau	738	726	735	735
Oest Elektriz	815.10	790	815.10	810.50
VA Tech	1700	1674	1690	1699.50
Wienerberger	2100	2080	2090	2100

The Trib Index
Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	147.99	-0.41	-0.28	+12.22
Regional Indexes				
Asia/Pacific	122.86	+2.24	+1.86	-8.49
Europe	158.30	-2.94	-1.82	+13.74
N. America	161.56	-0.42	-0.26	+25.94
S. America	113.58	-0.86	-0.75	+27.56
Industrial Indexes				
Capital goods	169.15	-1.74	-1.02	+27.30
Consumer goods	160.52	-0.91	-0.56	+16.26
Energy	168.38	-2.32	-1.36	+24.16
Finance	115.44	+0.82	+0.72	-9.27
Miscellaneous	159.16	+3.08	+1.97	+17.19
Raw Materials	172.91	-2.55	-1.45	+21.94
Service	136.08	-0.72	-0.53	+13.40
Utilities	141.64	-1.72	-1.20	+11.40

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg Business News.

See our
Arts and Antiques
every Saturday

NYSE

Thursday's 4 p.m. Close
Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

THE HEAD WAITER
WATCHED WITH MOUNTING DESPAIR

as the magnificent Gieves & Hawkes tie slid like a sword into the Sauce Bernaise. Mr Carruthers, who had just returned to his seat, was unaware of the disaster. The waiter glided silently forward and announced his presence with a tiny 'ahem'. Perhaps, he suggested with the tact of Jeeves, Mr Carruthers would be more comfortable if he took off his tie? The gentleman duly obliged and the pride of Saville Row was silently borne away to be subjected to the secret alchemies of the laundry manager. Less than an hour later it was returned to the bemused Mr Carruthers, cleaned, pressed and just in time for coffee. So impressed was the hotel guest, in fact, that he delighted his table companions with a piece of uncharacteristic jocularity. He would, he quipped, be returning the following week with a suit to be cleaned. The waiter merely observed that in that case he would ensure that an extra large dish of Sauce Bernaise was on hand to receive it.

RAFFLES HOTEL SINGAPORE

A RAFFLES INTERNATIONAL HOTEL

Raffles Hotel, 1 Beach Road, Singapore 189673. Tel: (65) 337-1886. Fax: (65) 339-7650. Internet: raffles@pacific.net.sg

Continued on Page 17

China's Markets: Thrills, Spills and Big Brother

By Edward Cody
Washington Post Service

SHANGHAI — Dai Yi Zhong, a trader at a large securities firm here, stared transfixed at the extraordinary stock-market trends displayed in vivid color on his computer screen.

From the vantage point of his rooftop trading office, 1996 was a year to remember in China's swift but bumpy ride from a smothering communism toward something called market socialism. "Until recently, it was almost crazy," Mr. Dai said of the abrupt market fluctuations.

The gyrations in the stock markets here and in Shenzhen, China's other financial center 700 miles (1,120 kilometers) to the southwest, raised anew the question of the degree to which China's authoritarian government can — or should — control the market forces it has let loose among a population of 1.2 billion people aching for prosperity and bubbling with ideas of how to attain it.

Although that question has long been clear, its answer has remained in suspension, hanging on the ailing Deng Xiaoping's eventual death and the course that will be set by whoever emerges to replace him as senior leader, most likely President Jiang Zemin. Whatever answer Mr. Deng's successor imposes will go a long way toward determining China's economic style and, consequently, the tone of its relations with the rest of the world.

Mr. Dai, 30, a physics graduate who aspires to be like those Wall Street traders sometimes referred to as Masters of the Universe, has a front-row seat in the Shanghai offices of J&A Securities Co., a Shenzhen-based firm that is among China's biggest.

After bouncing sluggishly for most of the year, he recalled, the index for foreign-currency stocks, those available to foreigners and to Chinese living abroad, shot up dramatically in early December. A graph line on Mr. Dai's screen shows an almost vertical climb, like a rocket on takeoff. Fortunes were multiplied several times a week, and it looked like champagne corks would be popping all around China's financial hub on New Year's Eve.

But suddenly, beginning on the cold Monday morning of Dec. 16, the index began to plummet as fast as it had risen. The foreign-held stocks, called B shares, crashed hard, along with so-called A shares held by those Chinese without foreign connections. Within minutes of the market's opening, many of them reached the 10 percent loss limit that unexpectedly had been set by China's regulators — then did it again the next day, and the next.

'Stock rallies are bound to lead to stock crashes,' Beijing warned neophyte investors.

The Shanghai A-share index still finished 1996 with a gain of 69 percent. But, after finishing up 3.20 points Thursday, at 958.19, the index is down 26 percent from its peak of 1,306.78 reached Dec. 9.

The Shanghai B-share index gained 41 percent in 1996, but after falling 1.28 points to 65.74 on Thursday, it was 22 percent below its peak of 84.63 reached Dec. 10.

Government intervention on two fronts made thousands of investors leave the market in mid-December.

First, the China Securities Regulatory Commission, without advance notice, imposed the 10 percent limits on how much stocks could rise or fall in a day's trading. The move was announced after the close of trading on a Friday, effective the following Monday.

On that Monday, Dec. 16, the official People's Daily published a front-page commentary complaining that the Chinese stock market was so overheated as to be "abnormal and irrational." It went on to warn that investors should abstain from excessive speculation and, in an ominous note, added that the government would not step in to save the day in the event of a crash similar to the one that devastated American fortunes in 1929.

"Stock rallies are bound to lead to stock crashes," the article said. "There is no stock market that always grows and never drops." Like their American counterparts hanging on utterances from Federal Reserve Board Chairman Alan Greenspan, China's security traders got the message fast. The indexes came crashing down, making losers out of many neophyte capitalists gambling that prices would shoot up forever.

Brokers said the government had moved in part because of signs of market manipulation. In addition to the dizzy price rises, volume had risen too quickly, they said, leading to suspicions that some institutional investors were buying only to push up prices in preparation for a swift resale.

Although prices have settled down, brokers here predict the Chinese securities market will continue to expand at its rapid pace. The government has understood as well as private entrepreneurs that issuing stocks is a good way to raise capital for all kinds of industries, including ailing state-owned corporations.

Zhang Dongsheng, a deputy director of finance and banking at the State Planning Commission, told the official New China News Agency last week that the government planned to move quickly to put more such firms on the market. Top priority will go to large and medium-sized enterprises singled out for development by the governing State Council, he said.

The number of companies listed on the Shanghai and Shenzhen stock markets rose to 520 from 323 in 1996, and the value of shares issued totaled $13.1 billion, Mr. Zhang said, while the number of Chinese people with trading accounts rose to 21 million from 12 million.

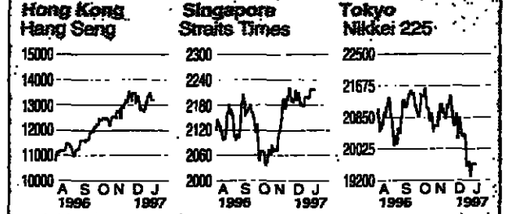
■ Regulations for New Issuers

China's newly listed companies must standardize their operations, must not buy and sell their own shares and must use funds raised in accordance with the public offer statement, China's securities chief said Thursday, according to a Reuters dispatch from Beijing.

In remarks published in the China Securities newspaper, the chairman of the China Securities Regulatory Commission, Zhou Daojiong, said the commission would punish offenders strictly.

Separately, the Shanghai Securities News said trading volume on China's exchanges rose to 2.10 trillion yuan ($252 billion) in 1996 from 400 billion yuan in 1995.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,203.44	13,451.50	-1.84
Singapore	Straits Times	Closed	2,216.79	
Sydney	All Ordinaries	2,411.20	2,424.60	-0.55
Tokyo	Nikkei 225	Closed	19,631.35	
Kuala Lumpur	Composite	1,230.53	1,237.96	-0.60
Bangkok	SET	803.13	831.57	-3.42
Seoul	Composite Index	Closed	651.22	
Taipei	Stock Market Index	Closed	6,933.94	
Manila	PSE	3,154.48	3,170.56	-0.51
Jakarta	Composite Index	638.10	637.43	+0.11
Wellington	NZSE-40	Closed	2,359.64	
Bombay	Sensitive Index	3,228.58	3,261.08	-1.00

Source: Telekurs International Herald Tribune

Very briefly:

• **Hong Kong** stocks dropped sharply on jitters induced by Wall Street's 100-point plunge on New Year's Eve and amid concern that rising interest rates would curb growth in corporate earnings. The 33-stock Hang Seng Index fell 248.01 points, or 1.84 percent, to close at 13,203.44.

• **The Stock Exchange of Thailand's** composite index fell 28.44 points, or 3.4 percent, to 803.13; analysts cited fears that the new government's policies would not do enough to help the country's faltering economy. The drop followed the release of the December consumer price index, which showed that inflation in 1996 was at its highest level since 1990.

• **China** opened its first wholesale market for computer software and electronic publications in Beijing as part of its battle against copyright piracy on such products, the Xinhua news agency reported.

• **Yaohan International Holdings Ltd.**, the unprofitable flagship of the department-store empire owned by Kazuo Wada, a Japanese businessman, plans to raise 612 million Hong Kong dollars ($79.1 million) by selling a shopping center in Macau and shares in its most profitable unit, Yaohan International Catering Ltd.

• **The Philippines'** president, Fidel Ramos, said the country's gross domestic product grew about 6.5 percent last year.

Bloomberg, Reuters

New World Development To Shift Focus to China After Sale of Hotel Unit

Bloomberg Business News

HONG KONG — New World Development Ltd. sold its hotel-management arm this week to cash in on a recovery in the hotel industry and finance an expansion closer to its Hong Kong base, analysts said Thursday.

New World, which owns more property in China than any other foreign company, sold its 54.5 percent stake in Renaissance Hotel Group NV on Tuesday to Doubletree Corp. of the United States for about $780 million, or $25.30 a share — 49 percent more than Renaissance Hotel's issue price when it began trading on the New York Stock Exchange 15 months ago.

New World will receive about $270 million in cash and the rest in Doubletree shares. Analysts said New World would own about 13.5 percent of Doubletree after the deal. New World shares closed unchanged at 52.25 Hong Kong dollars ($6.75).

"After years of struggle overseas, I expect to see more investment in Hong Kong and China," Ambrose Chang of Daiwa International Capital Management Ltd. said.

Frederick Tsang, research director at PrimeEast Securities (H.K.) Ltd., said, "For many investors, New World's investments in Hong Kong and China are more profitable, and it's better for the company to develop its business here."

China projects announced by New World in the past few months include an initial agreement to invest $200 million in power, port and road projects in the city of Yantai, a proposed $600 million Chinese film theme park and hotel complex in Guangzhou, and a $213 million contract to build three toll bridges in that southern city. New World is also investing more aggressively in Hong Kong, where residential property prices rose by one-third last year. Analysts forecast prices will rise at least 15 percent this year.

BULLS: *Profit Growth Holds the Key to Bull Market in the U.S.*

Continued from Page 11

few voices proclaiming that stocks were a good long-term investment. Now, with the Dow well over 6,000, there are many who believe in stocks. The 1996 advance for stocks was particularly impressive in that it came without the support of the bond market. Treasury bonds went up and down but ended with prices a little lower than at the start of the year.

Bearish voices in recent years have largely been discredited as prices have risen and then risen some more.

Still, in a normal market there would be good reason to be cautious now. Valuations are not low by any measure, and runs like the one of the past two years have most often been followed by disappointments. The Leuthold Group reports that valuations — as measured by dividend yield and price/earnings ratios on the stocks in the Standard & Poor's 500 index — are higher now than at the end of any of those other big two-year runs.

Over the past 15 years, the Dow has risen 637 percent. That works out to a compounded average of 14.2 percent a year, not including dividends. Until 1996, the biggest such run for the index was 558 percent, or 13.4 percent a year. That run ended with the third quarter of 1929 and was followed by a crash and a market that took a long time to recover. Fifteen years later, the Dow was still 57 percent below where it stood at the end of the third quarter of 1929.

But perhaps this is not a normal market. It has risen in large part because the baby-boom generation, confronting retirement in a decade or two, has become convinced that no other way of saving can provide the returns that are needed for a comfortable old age.

If money keeps pouring into the stock market, both directly and through mutual funds, then prices can keep rising. In fact, those investors got a little more cautious in late 1996 than they had been earlier in the year, and that showed in relative performance. Money was less likely to flow into smaller stocks than into larger ones that were presumed to be safer and easier to sell quickly, should the need arise.

The Russell 2,000, an index of the stocks ranked from 1,001 to 3,000 among the most highly capitalized U.S. companies, never got back to the peak it reached in May, even as indexes of larger companies were setting records repeatedly.

If one is looking for trend reversals, however, the sell-off Tuesday, the last day of 1996, hit large stocks much harder than small ones. But perhaps the big-stock bulls had begun their New Year's celebrations a little early and were not around to put in buy orders.

BEARS: *Pessimism Gets Even Lonelier*

Continued from Page 11

pected a correction of 10 percent to 30 percent "pretty soon." The message was not widely appreciated: Two days later, the Dow Jones industrial average jumped 126.87 points.

Perhaps with such strength in mind, the would-be bears are strikingly cautious about their caution. Mr. Shulman, for instance, altered his model investment portfolio allocation in early December, cutting stocks to 45 percent from 50 percent and increasing cash to 20 percent from 15 percent. "I did that with some trepidation, because that's been the wrong side of the argument for quite a long time," Mr. Shulman said.

Even if there is a correction, analysts are far from sure whether it would resemble the old-fashioned plunge that investors fret about whenever the Dow falls more than 70 or 80 points.

Always on the lookout for signs that the bull market may have peaked, Mr. McManus pointed to "the renewed popularity of the cigar," indicating "money to burn."

But even this, Mr. McManus wrote recently, "is not an urgent alarm that the long bull market is over."

Rather, he said, it is "a subtle hint of broadening complacency, hubris perhaps, suggesting that some portion of the market's cumulative gain may go up in smoke."

Malaysian Steel Bailout

Compiled by Our Staff From Dispatches

KUALA LUMPUR — Malaysia will pay off Perwaja Steel Sdn.'s debts, estimated at 6 billion ringgit ($2.37 billion), to start the rescue of the steel company, Prime Minister Mahathir bin Mohamad said, according to Thursday editions of the New Straits Times.

Mr. Mahathir also confirmed that the closely held steel company Maju Holdings Sdn. would take a 51 percent stake in Perwaja. The state of Terengganu will have a 19 percent stake, and the federal government, a 30 percent stake.

Lim Kit Siang, secretary-general of the opposition Democratic Action Party, criticized the plan, butanalysts said it had removed a major stumbling block to a turnaround of Perwaja. Still, "Maju would still need to restructure Perwaja's finances to ensure it will not incur any more losses," said one analyst, who questioned whether Maju would have the expertise to manage the job. *(Bloomberg, AFP, Reuters)*

INTERNATIONAL CLASSIFIED

TODAY'S
HOLIDAYS & TRAVEL SECTION
Appears on Page 9

Announcements

Attention visitors from the U.S!
If you enjoy reading the IHT when you travel, why not also get it at home?
Same-day delivery available in key U.S. cities
Call (1) 800 882 2884
(In New York call 212 752 3890)
Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

Auto Rentals

RENT AUTO DERGI FRANCE WEEKEND: FF515. 7 DAYS: FF1500. TEL: PARIS +33 (0)1 43 68 55 55.

Autos Tax Free

EUROPE AUTO BROKERS, INC
Tel:Holland 31(0)30-6064494 Fx6060994

Legal Services

DIVORCE in 24 hrs. Lawyer. No Travel. Since 1969. Tel: ++972 9.7718292, Fax 972.9.7718294. http://www.hello-israel.com/divorce. Confidential & discreet

DIVORCE 1-DAY CERTIFIED
Call or Fax (714) 968-8695. Write: 16787 Beach Blvd. #137, Huntington Beach, CA 92648 U.S.A. - e-mail - wstern@juno.com

DIVORCE IN 1 DAY. No travel. Write: Box 377, Sudbury, MA 01776 USA. Tel: 508/443-8367, Fax: 508/443-0183.

Business Opportunities

IMMIGRATION OPPORTUNITIES
Obtain Permanent Residency, 2nd Citizenship & 2nd Passport via Economic Investment, 100% legal Government Programs, starting at $28,000, issued in 90 to 180 days. Funds held in Escrow until you receive your documents.
INTERNATIONAL ATTORNEYS S.A.
CARIBBEAN: Fax: +(809) 290 597 or Fax: +(809) 290 684
E-MAIL: INTATT@ACL.COM

OFFSHORE BANKS
INSURANCE BANKS
COMPANIES & TRUSTS
ASSET PROTECTION
IMMIGRATION/PASSPORTS
TRADE-FINANCE

ASTON CORPORATION
TRUSTEES LTD
19 Peel Road, Douglas, Isle of Man
Tel: 01624 626991
Fax: 01624 625126
London Tel: (171) 222 8866
Fax: (171) 233 1519.
E Mail No. aston@enterprise.net

OFFSHORE COMPANIES. For free brochure or advice Tel: London 44 181 741 1224 Fax: 44 181 748 6558/8338 www.appleton.co.uk

Financial Services

PRIME BANK
GUARANTEES
Venture Capital Finance Available for Government Projects and Government Companies that are for sale.
Large Projects our Specialty
Also, Long Term Finance for Large and Small Companies
No commission Until Funded

REPRESENTATIVE
Needed to act as Liaison
Please reply in English

VENTURE CAPITAL CONSULTANTS
Investment bankers
16311 Ventura Blvd., Suite 989
Encino, California 91436 U.S.A.
Fax No.: (818) 905-1698
Tel.: (818) 789-0422

Business Services

YOUR OFFICE IN LONDON
Bond Street - Mail, Phone, Fax, Telex
Tel: 44 171 499 9192 Fax 171 499 7517

Lowest Int'l
TelePhone Rates!
Call The USA From:

Germany	$0.33
UK	$0.25
France	$0.32
Switzerland	$0.35
Sweden	$0.25
Saudi Arabia	$0.89

Call For All Rates
25% Commission
Agents Welcome!
KallMart
Tel: 1-407-777-4222 Fax: 1-407-777-5411
http://ypn.com/kallmart

Business Travel

1st/Business Class Frequent Travellers Worldwide. Up to 50% off. No coupons, no restrictions. Imperial Canada Tel: 1-514-341-7227 Fax: 1-514-341-7998. e-mail address: imperial@login.net http://www.login.net/imperial

International Herald Tribune ads work

Herald International Tribune
THE WORLD'S DAILY NEWSPAPER

PLANNING TO RUN A CLASSIFIED AD?
Place your Ad quickly and easily, contact your nearest IHT office or representative with your text. You will be informed of the cost immediately, and once payment is made your ad will appear within 48 hours. All major Credit Cards Accepted.

EUROPE
FRANCE HQ: Paris, Tel.: (01) 41 43 93 85, Fax: (01) 41 43 93 70. E-mail: Classified@iht.com
GERMANY, AUSTRIA & CENTRAL EUROPE: Frankfurt, Tel.: (069) 971250-0, Fax: (069) 971250-20.
BELGIUM & LUXEMBOURG: Brussels, Tel.: (02) 344-3509, (02) 344-0117. Fax: (02) 346-0352.
GREECE & CYPRUS: Athens, Tel.: 301/68 51 525, Fax: 301/68 53 357.
DENMARK: Copenhagen, Tel.: 31 42 93 25.
FINLAND: Helsinki, Tel.: 646 500, Fax: 646 508.
ITALY: Milano, Tel.: 5831738, Fax: 583 20938.
NETHERLANDS: Amsterdam, Tel.: 31.20.6841080, Fax: 31.20.6681374.
NORWAY & SWEDEN: Bergen Norway, Tel.: (47) 55 913070, Fax: (47) 55 913072.
PORTUGAL: Lisbon, Tel.: 351-1-457-7293, Fax: 351-1-457-7352.
SPAIN: Madrid, Tel.: 4572858, Fax: 4586074.
SWITZERLAND: Pully, Tel.: (021) 728 30 21, Fax: (021) 728 30 91.
UNITED KINGDOM: London, Tel.: (0171) 836 4802, Fax: (0171) 240 2254, Tlx: 262009.

UNITED STATES
NEW YORK: Tel.: (212) 752-3890, Fax: (212) 755-8785, Toll free: (800) 572-7212.

LATIN AMERICA
BOLIVIA: Santa Cruz, Tel.: (591-3) 33 99 00, Fax: (591-3) 33 99 90.
BRAZIL: Sao Paulo, Tel.: 853 4133, Fax: 852 8485.
CHILE: Santiago de Chile, Phone: 632 01 26, 632 79 37, Fax: 632 01 26.
MEXICO: Mexico City, Tel: (52 5) 536 56 90, Fax: (52 5) 682 81 22/687 48 42/536 35 77.

MIDDLE EAST
UNITED ARAB EMIRATES: Sharjah, Tel.: (06) 351133, Fax: (06) 3748888, Tlx: 68484 TRNGLF

ASIA/PACIFIC
HONG KONG: Tel.: (852) 2922-1188, Tlx.: 61170 IHTRK, Fax: (852) 2922-1190.
SINGAPORE: Tel.: 223 6478, Fax: 325 0841, Tlx: 28749 IHTSIN.
JAPAN: Tokyo, Tel.: 32 01 02 10, Tlx: 33673, Fax: 32 01 02 09

REAL ESTATE MARKETPLACE

Real Estate for Sale

Caribbean

SAINT MAARTEN, Netherlands Antilles, Waterfront Home on Oysterpond. 4 bed, 4 bath, pool, boat dock with 2 m. depth, 3000+ sq.m. land, direct ocean access: US$750,000. Fax (561) 272-5101 USA.

French Riviera

ST JEAN CAP FERRAT
In a luxurious terrace complex, charming little house, 140 sq.m., swimming pool, private garden, facilities. Storage cellar and garage.
PARK AGENCE
Le Park Palace
25 avenue de la Costa
MC 98000 Monte Carlo
Tel (377) 93 25 15 00
Fax (377) 93 25 35 33
www.monacarlo.mcleader/park agence

CANNES CALIFORNIE
Townhouse, 6 bedrooms, 6 bathrooms, 2 living rooms, 1 dining room, terrace, swimming pool. View on sea, air conditioning, garage, maid's room. 5 mins Port Canto. Urgent. Isambert Tel: +33 (0)6 09 54 11 70. Fax: +33 (0)4 93 68 84 89.

CAP FERRAT WATERFRONT JEWEL. Uniquely beautiful 4-bedroom villa. One of a kind. Private beach & boat jetty. $1.5M +377-60783198Fax377-93507197

Great Britain

HOMESEARCH LONDON LTD Let us search for you. We find homes / flats to buy and rent. For individuals and companies. The purchasers professionals. 7 days-a-week. Tel: +44 171 836 1066 Fax + 44 171 836 1077 http://www.homesearch.co.uk/hom

Italy

POSITANO - AMALFI COAST
For sale prestigious villa, furnished or not, overlooking the sea - 2 apartments + guest house - swimming pool on the rocks. The villa is owned by an offshore company Fax (Switzerland) +4191/682 92 49

Monaco

MONTE CARLO
"SUN TOWER" Carre d'or, 3-room flat 148 sq.m., big terrace, living room, 2 bedrooms, 2 baths, kitchen, maid's room. Overlooking sea. Interesting price.
AGEDI
9, Bd des Moulins. MC-98000 Monaco. Tel 377-92 16 59 59 Fax 377-93 50 19 42

Paris and Suburbs

16th, FAISANDERIE, next to Ave. Foch. Top floor, 92 sq.m. + terrace 33 sq.m. Living, 2 bedrooms + maid's rooms, parkings & studio Tel: 04 9373 0446.

1st PALAIS ROYAL. Class, belonged to Marie Antoinette's dressmaker, 4 rooms, 75 sq.m. + maid's room. 3.75m high ceilings, cellar. F2M. Office (0) 1 4925 0208

USA Residential

BEST KEPT SECRET IN MIAMI
RATED A GREAT BUY
FOR ONLY $450,000
Spectacular Panoramic Waterfront Views
275 sq.m. Decorator Designed Condo with Marble throughout
2 Bedrooms, 2 1/2 Baths
Prestigious Guarded Property
less than 15 minutes from Int'l Airport & famous South Beach
Essentially furnished * Ready to move in!
Sale by Owner (Brokers Protected)
USA Phone: 001-305-754-6000
Fax: 001-305-639-0955

Real Estate for Rent

Germany

BERLIN, West-Centrally located, superb flat 170 sq.m. 2 magnificent receptions, 2 double bedrooms, 2 spacious baths, guest's cloakroom. Large, modern, fully fitted kitchen, breakfast room, parking. Tel: (49) 3034 11828/fax (49) 3034 82184

Holland

RENTHOUSE INTERNATIONAL
No 1 in Holland
for (semi) furnished houses/flats
Tel: 31-20-6448751 Fax: 31-20-6465809
N'hoven 19-21, 1083 Am Amsterdam

Paris Area Furnished

12th, 110 sq.m., 4-bedroom flat (TV, VCR, hi-fi) + parking. 1 year from March. F10,500/mo. Mr Cohen +33(0)144687877 day or +33(0)143454578 (after 7pm).

CAPITALE * PARTNERS
Handpicked quality apartments, all sizes Paris and suburbs
Tel:+33(0)1-46148211. Fax(0)1-46148215
We help you best !

PICASSO's MONTMARTRE. 1 min. to Bateau Lavoir. U.S. owner rents charming, fully equipped 2-room apartment. Cable TV. Ideal for businessmen or couple. Week F1,550 net, month F6,200 net. Tel: (0) 1-41 43 93 84 office after 10am.

BEAUBOURG, adorable, freshly painted, all modern & fully equipped 1-bedroom flat. Top floor, lots of light. 6 months or more. F7,500 net. Owner (0) 1 42724175

7th, LES INVALIDES. Charming 2 bedrooms, living/dining room, new kitchen, garden view/terrace. Tel: 45 51 62 26.

Paris Area Unfurnished

PARC MONCEAU
Prestigious apartment, newly redone, 3 receptions + living, 4 bedrooms, 4 baths + maid's room.
FF35,000 + FF5,200.
LA GRANDIERE TEL +33(0)1-42247700

USA

BOSTON, MA. 2 1/2 bedrooms with 2 baths & big patio. Spacious penthouse in elevator building in Boston's Back Bay. Great views of Charles River & Boston skyline. Available Feb 1-Mar. 30, 1997. $4200/mo. (with parking). 617-969-4364 Fax: 617-332-7991 USA.

PORTUGAL

LISBON - PORTUGAL
Piece of land located in prestigious prime property area of the city of Lisbon.
Planning permission already obtained for a building comprising offices, shops and a car park with a capacity of 340 vehicles.
Total area of building - 25,000 sq.m.
BUILDING WORK CAN COMMENCE IMMEDIATELY.
For further information contact:
ACTEL, S.A.
Av. Casal Ribeiro, 46 - 6o - 1000 LISBOA - PORTUGAL
Tel: 01 - 352 69 79 - Fax: 01 - 352 74 73

USA

Florida - Fort Lauderdale
Blick auf Atlantik - PENTHOUSE
Herrschaftlicher Besitz (180 sm), mobliert, an phantastischer Lage zu verkaufen. US-$395000. Unterstutzung bei der Fianzierung.
Anfragen an: Dr. Kent, Tel. +1-954-938-5355
(Montag bis Freitag 14.00-23.00 h MEZ) oder Fax +1-954-938-5244.
E-mail: ghentphomecmhs.compuserve.com.

SWITZERLAND

TAX HAVEN
CAMPIONE - Lake Lugano
For sale very elegant flats and villas with lake view.
immobiliare wehner
Tel.: ++4191 649 75 49
Fax: ++4191 649 63 45

Phoenix - Scottsdale, Arizona
Invest in the most "Sophisticated City of the West"
1hr. from L.A., Las Vegas, Grand Canyon. The 3rd. fastest growing area in the U.S. 150 Golf courses, 300° sunny days-a-year. Multiple Tax Advantages available. Free & easy transfer of Ownership.
(602) 948-0550 - Patrick Marcs
John Hall & Associates, Inc.
Fax: (602) 948-8541 - Dani Benamou
7850 E. Granada, Scottsdale, AZ. 85257

Advertisement

INTERNATIONAL FUNDS

January 2, 1997

available on Internet: http://www.iht.com/IHT/FUN/funds.html

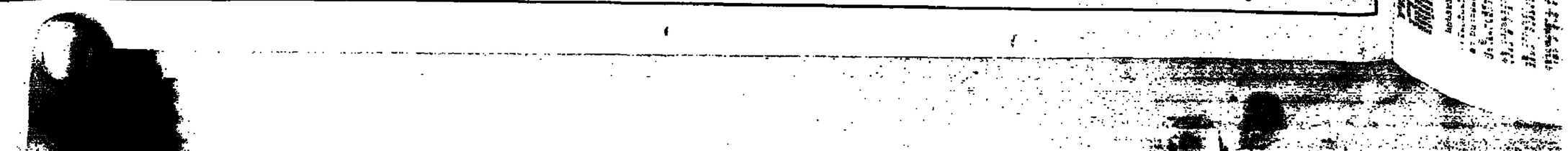
For information on how to list your fund, fax K. Houri at (33-1) 41 43 92 12.

E-mail : funds@iht.com

Other Funds

NOKIA
CONNECTING PEOPLE
http:// www.nokia.com

The data ("the Data") in the list above ("the list") is the data supplied by the fund groups ("the Fund Groups") listed therein. The data is delivered by each Fund Group to Micropal SA (Tel Paris 33-1-40-26-09-09), collated and reformatted into the List and then transmitted by Micropal to IHT. Micropal and IHT do not warrant the quality or accuracy of the List, the Data of the performance of files of the Fund Groups and will not be liable for the List, the Data of Fund Groups to any extent. The List is not and shall not be deemed to be an offer by IHT or Micropal to sell securities or investments of any kind. Investments can fail as well as rise. Past performance does not guarantee future success. It is advisable to seek advice from a qualified independent adviser before investing.



NASDAQ

Thursday's 4 p.m.
The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Thursday's 4 p.m. Close
(Continued)

Herald International Tribune
SPORTS

WORLD ROUNDUP

India Drops Chances

CRICKET India was made to pay for missed chances Thursday as South Africa built a commanding position on the first day of the second test in Cape Town.

Gary Kirsten and Daryll Cullinan were both given "lives" which they exploited by posting a record third-wicket partnership against India of 114 as South Africa reached 280 for four at the close.

Kirsten scored 103 and Cullinan 77. Luckless bowler Venkatesh Prasad saw Kirsten put down on nought by Mohammad Azharuddin and on seven by Anil Kumble. Cullinan was spared on 33 when V.V.S. Laxman was unable to reach a mistimed shot off the bowling of debutant Doda Ganesh. *(Reuters)*

Venkatesh Prasad bowling on the first day of the second test.

Suleymanoglu Quits

WEIGHTLIFTING Turkish weightlifter Naim Suleymanoglu, known as the "Pocket Hercules," retired Thursday.

Suleymanoglu, 30, had won three Olympic gold medals.

He became a national hero after winning his first Olympic gold in 1988 at Seoul. He also won seven world championships; two before defecting from his native Bulgaria in 1986.

In the 1996 Olympic Games, the 4-foot-11 Suleymanoglu broke his world record with a combined lift of 738½ pounds in snatch and clean-and-jerk. *(AP)*

Dale Brown to Retire

BASKETBALL Dale Brown, the head coach of Louisiana State University, announced Thursday that he will retire after the season — his 25th with the Tigers.

Brown, 61, led LSU to the NCAA tournament 13 times and to the Final Four twice, he has won 445 games and lost 287 in his time at LSU.

"I had a dream of what college athletics should be all about," he said. "Now, after 25 years, that dream is a little tarnished." *(AP)*

French Omit Bonaly

SKATING Surya Bonaly, the five-time European women's figure skating champion, is not entered in the European championships later this month, the French federation said Thursday.

Bonaly was listed as a substitute on the official entry list provided by the French Federation for the championships in Paris, Jan. 19-26.

Bonaly, 23, ruptured an Achilles tendon in her right foot during an exhibition last May and has been slow to recover. She won the French championship almost two weeks ago but her level was judged to be insufficient for an international championship. *(AP)*

Ohio State's Dimitrious Stanley eluding Jason Simmons of Arizona State on the way to a 72-yard touchdown run in the Rose Bowl.

Buckeyes Dash Sun Devils' No. 1 Hopes

By David Nakamura
Washington Post Service

PASADENA, California — Arizona State's dream season had been built around the strong arm and magic feet of its senior quarterback, Jake (The Snake) Plummer, and its fate against Ohio State in the Rose Bowl appeared determined when Plummer danced between tacklers and dove into the end zone for a go-ahead touchdown with less than two minutes remaining.

What the second-ranked Sun Devils hadn't counted on, however, was a player who had grown up in Mesa, Arizona, just miles from the Arizona State campus, but decided to play in Columbus, Ohio.

That Buckeye, sophomore quarterback Joe Germaine, led a 65-yard final drive that culminated in a five-yard touchdown pass to David Boston with 19 seconds left that gave fourth-ranked Ohio State a 20-17 victory before 100,625.

The loss means the Sun Devils (11-1) will not win their first national championship, no matter what happens Thursday in the Sugar Bowl between *No. 1 Florida State and No. 3 Florida*. Ohio State (11-1) has an outside shot at the national championship. It needs the Gators to win unimpressively over the Seminoles for the poll voters to vault it ahead of both teams for the title.

For Ohio State's coach, John Cooper, describing the game was easy: "Greatest victory in history," he said of the Buckeyes' first Rose Bowl victory since 1974.

Plummer's incredible 11-yard touchdown run had put the Sun Devils ahead by 17-14 with 1:40 left. Ohio State took over at its 35 with 1:33 left and Germaine hit Dimitrious Stanley on passes of 11, 15 and 12 yards to set up first and 10 at Arizona State's 29.

After a false start penalty, Germaine, who had split time with starter Stanley Jackson, threw to Stanley in the right side of the end zone. The pass fell incomplete, but cornerback Jason Simmons *was called for pass interference.*

That set up first and 10 from the 19. After two incomplete passes, Germaine threw over the middle to Boston. Again, the ball fell to the ground, but again an Arizona State player, this time Marcus Soward, was called for interference.

The Buckeyes had first and goal from the 5. Germaine threw to a wide-open Boston in the right flat, and Boston turned it up for the game-winning touchdown with 19 seconds left. The extra point attempt was blocked.

The Sun Devils' final drive ended when wide receiver Lenzie Jackson made a catch, ran to Ohio State's 30 and was tackled as time expired.

Drama was not reserved for the last minutes of the game. In the second quarter, with the Buckeyes leading 7-0, Plummer lofted a pass to wide receiver Ricky Boyer, whom cornerback Antoine Winfield appeared to bump at Ohio State's 4. *But Boyer used the bump to* propel himself into a dive. He didn't land until he had his hands on the ball a yard into the end zone. The referee signaled a touchdown, but television replays appeared to show that the ball had hit the ground.

After a third-quarter field goal by the Sun Devils, Ohio State retook the lead when Stanley caught a slant down the middle at the 50, broke a tackle by Simmons and sprinted to the end zone to give Ohio State a 14-10 lead with eight minutes left in the third quarter. The 72-yard play was the Buckeyes' longest pass in a bowl game and longest this season.

Brigham Young Rallies to Win Cotton Bowl, 19-15

Compiled by Our Staff From Dispatches

Brigham Young, which felt snubbed by the Bowl Alliance, rallied for a 19-15 victory over No. 14 Kansas State in the Cotton Bowl.

The Cowboys (14-1 and ranked No. 5) took the lead when their quarterback, Steve Sarkisian, hit K.O. Kealaluhi with a 28-yard touchdown pass with 3:39 left.

Kansas State (9-3) twice converted on fourth down in a final drive to BYU's 12, but Omarr Morgan intercepted Brian Kavanagh at the 3-yard line with 55 seconds left.

Sarkisian was 21-for-36 in passing for 291 yards and two touchdowns.

Penn State 38, Texas 15 In the Fiesta Bowl in Tempe, Arizona, the No. 7 Nittany Lions (11-2) dominated the second half for their fourth straight bowl victory and the 18th bowl victory for coach Joe Paterno. Five plays after Kenny Watson returned the second-half kickoff 81 yards to the Longhorns' 19, Aaron Harris scored from five yards out to give Penn State a 15-12 lead. Texas (8-5 and ranked No. 20) tied the game, but Penn State scored on its next two drives. Curtis Enis had three TDs for the Nittany Lions.

In games reported in some editions Thursday:

COLLEGE FOOTBALL

Tennessee 48, Northwestern 28 In Orlando, Florida, Peyton Manning left his fans wanting more, but the Northwestern Wildcats saw enough of Tennessee's outstanding junior quarterback.

In what might have been his final college game, Manning passed for 408 yards and four TDs and ran for another as the ninth-ranked Volunteers beat Northwestern for their second successive Citrus Bowl title.

Manning, who has until April to decide whether to make himself eligible for the National Football League draft, shredded Northwestern in the first quarter for 21 points and maintained his poise in the face of a second-quarter comeback by the 11th-ranked Wildcats (9-3).

When Northwestern took advantage of a string of Tennessee penalties and mistakes to pull even with three touchdowns in a span of 5 minutes and 18 seconds, Manning calmly regained the lead with a 67-yard touchdown pass to Joey Kent. He then threw for five consecutive first downs to put the Volunteers in field-goal position, and Jeff Hall made the 27-yarder for a 31-21 lead.

The Volunteers' fans in the crowd of 63,467 chanted "One more year!" as the game ended.

"It's extremely flattering; the players were kidding me a lot," Manning said. "But I feel most of the fans are behind me no matter what I do. It was a whole lot of fun, the entire game."

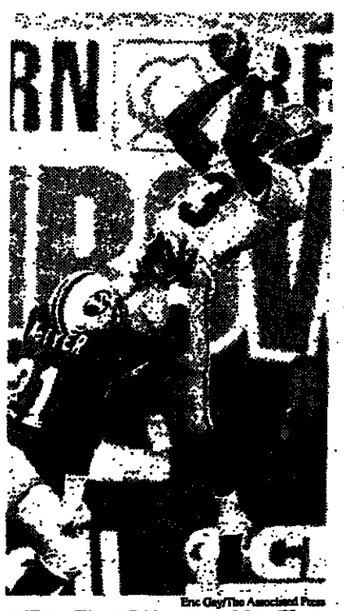
Alabama 17, Michigan 14 Alabama's defense wouldn't let Gene Stallings's retirement party end on a sour note.

Dwayne Rudd returned a fourth-quarter interception 88 yards for a touchdown, and the 16th-ranked Crimson Tide closed out the Stallings era with a victory over No. 15 Michigan in the Outback Bowl in Tampa, Florida.

Alabama's players hoisted the retiring coach onto their shoulders for a ride to midfield before Stallings officially turned over the reins to his defensive coordinator, Mike Dubose.

Michigan led 6-3 in the fourth period and was threatening inside the Crimson Tide's 15-yard line when Alabama's Kelvin Sigler hit Brian Griese as the quarterback released a pass, and the ball floated to Rudd, a 245-pound (111-kilogram) linebacker, who made the interception and rumbled up the sideline to put Alabama ahead, 10-6.

North Carolina 20, West Virginia 13 Oscar Davenport threw for one TD and ran for another in his first career start as the No. 12 Tar Heels beat the No. 25 Mountaineers in the Gator Bowl. Davenport completed 11 of his first 14 passes as the Tar Heels (10-2) opened a 17-3 halftime lead against America's No. 1-ranked defense. *(NYT, WP, AP)*



Eric Gay/The Associated Press

BYU's Tim McTyer, pushing Kansas State's Kevin Lockett out of the end zone to prevent a touchdown.

Irvin's Alibi: Not Present In Rape Case

He Was at Sports Bar, Cowboys Star Says

The Associated Press

DALLAS — Michael Irvin, the Dallas Cowboys star receiver, says he was at a sports bar the night a woman said he held a gun to her head while a teammate and another man raped her, a Texas newspaper reported Thursday.

The 23-year-old woman told police she was raped at the home of Erik Williams, a Cowboys offensive lineman, on Sunday night. Irvin denies being at Williams's home that night and said he looks forward to talking to police.

One of Irvin's lawyers, Anthony ons, told the Fort Worth Star-Telegram that Irvin says he was at Cowboys Sports Cafe in Irving most of the evening.

Another of Irvin's lawyers, Royce West, said Thursday on ABC's "Good Morning America" that he can prove his client was not at Williams's house Sunday night because the security guard at the gated complex says he did not see Irvin.

"That security guard will state Mr. Michael Irvin never went in that security gate, never went to Erik Williams's house Sunday night," West said.

A manager for Triad Protective Services, which handles security for Williams's community, said the guards are not required to keep a list of visitors.

Meanwhile, the woman's estranged husband told The Dallas Morning News that he doubts her story. The man, 22, who was not identified, said she has twice falsely accused men of sexual assault without telling the police.

"It seems very reasonable that she is making this up," he said. "She's very melodramatic. She accused me of doing this, and she accused her fiancé before me of doing this, so I don't know why she wouldn't do it again."

The man, who was separated from his wife in 1994 after two years of marriage, said she told him she met the players while working as a waitress and dancer at a Dallas topless club.

The husband said she briefly lived with two players and "would brag to me about living with the Cowboys."

Two friends of the woman said that she met the players while doing makeup for the Cowboys cheerleaders and that she works at a cosmetics counter in a mall.

The two friends, who asked not to be identified, have said they doubt she faked the report. They said they consoled the woman the morning after the reported rape, describing her as bruised, distraught and fearful.

The friends said she told them that the men threatened to beat her if she didn't "act like she was having fun" during the alleged assault.

Irvin, Williams and the third man, who have not been charged, were expected to be questioned by the police soon. During a search of Williams's house Tuesday, the police seized several tapes and a video camera. Irvin, 30, is on probation for a drug offense after pleading no contest in July to cocaine charges. At his sentencing, the judge threatened to put him in prison for 20 years if he violated probation.

"I'm also looking forward to seeing how you guys go rewrite, reprint, rerun all these things about what happened Sunday night when you find out that I wasn't even at Erik's house," Irvin said Wednesday. "I'm real anxious to see how that's going to happen. Can you run it with the same intensity that you ran this other stuff?"

Barry Switzer, the Dallas coach, said Williams and Irvin are expected to play in Sunday's NFC divisional playoff against the Carolina Panthers.

Switzer said he did not expect any charges to be filed.

"I don't think that anything's going to happen. Why in the hell haven't they been arrested right now?" Switzer said. "Why did the police department have a press conference and not even arrest anybody? It kind of stinks."

SCOREBOARD

FOOTBALL

COLLEGE BOWL GAMES

WEDNESDAY, JAN. 1

OUTBACK BOWL, AT TAMPA, FLA.
Alabama 17, Michigan 14

GATOR BOWL, AT JACKSONVILLE, FLA.
North Carolina 20, West Virginia 13

CITRUS BOWL, AT ORLANDO, FLA.
Tennessee 48, Northwestern 28

COTTON BOWL, AT DALLAS
Brigham Young 19, Kansas State 15

ROSE BOWL, AT PASADENA, CALIF.
Ohio State 21, Arizona State 17

FIESTA BOWL, AT TEMPE, ARIZ.
Penn State 38, Texas 15

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	23	7	.767	—
New York	21	8	.724	1½
Washington	15	14	.517	7½
Orlando	10	16	.385	11
New Jersey	8	19	.296	13½
Philadelphia	8	20	.286	14
Boston	6	21	.222	15½

CENTRAL DIVISION

Chicago	27	4	.871	—
Detroit	22	7	.759	4
Cleveland	19	10	.655	7
Atlanta	16	11	.593	9
Charlotte	16	13	.552	10
Milwaukee	15	14	.517	11
Indiana	13	15	.464	12½
Toronto	10	19	.345	16

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	24	6	.800	—
Utah	22	7	.759	1½
Minnesota	12	18	.400	12
Dallas	10	17	.370	12½
San Antonio	7	20	.259	15½
Denver	8	22	.267	16
Vancouver	6	25	.194	18½

PACIFIC DIVISION

L.A. Lakers	22	9	.710	—
Seattle	21	11	.656	1½
Portland	16	15	.516	6
Sacramento	13	18	.419	9
Golden State	11	19	.379	10
L.A. Clippers	11	19	.367	10½
Phoenix	10	19	.345	11

NO GAMES SCHEDULED ON TUESDAY AND WEDNESDAY

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	24	12	3	51	125	95
Florida	20	10	9	49	113	92
N.Y. Rangers	20	16	5	45	141	113
New Jersey	20	13	3	43	100	90
Washington	16	20	3	35	105	109
N.Y. Islanders	12	17	6	32	95	106
Tampa Bay	12	19	5	29	103	115

NORTHEAST DIVISION

Buffalo	20	15	3	43	114	103
Pittsburgh	19	15	4	42	135	123
Hartford	17	14	6	40	113	120
Montreal	14	18	7	35	126	137
Boston	13	18	6	32	105	130
Ottawa	12	17	7	31	100	108

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	22	14	3	47	114	96
Detroit	20	12	6	46	119	78
Phoenix	17	17	4	38	105	120
St. Louis	17	20	2	36	111	129
Chicago	15	20	6	36	104	111
Toronto	17	22	0	34	119	135

PACIFIC DIVISION

Colorado	23	10	5	51	135	90
Edmonton	17	19	4	38	132	124
Vancouver	16	19	1	33	108	123
Anaheim	14	19	5	33	110	118
San Jose	14	19	4	32	97	117
Calgary	13	21	5	31	98	115
Los Angeles	13	21	4	30	101	129

WEDNESDAY'S RESULTS

Anaheim	0	1	2—3
Florida	0	0	0—0

First Period: None. Second Period: A-Bellows 4 (Mironov, Kariya) (pp). Third Period: A-Josephs 6 (Valk, Sacco) 2, A-Mironov 7 (Kariya, Selanne) (pp). Shots on goal: A- 6-9-7—22. F- 14-7-7—28. Goalies: A-Hebert. F-Vanbiesbrouck.

Boston	1	1	0—2
Ottawa	1	2	0—3

First Period: O-Chorske 4 (Alfredsson, Yashin) 2, B-Donato 10. Second Period: O-Yashin 16, 4, O-Daigle 17 (Cunneyworth) 5, B-Oates 11, (sh). Third Period: None. Shots on goal: B- 9-2-5—16. O- 4-12-10—26. Goalies: B-Tallas. O-Rhodes.

Hartford	0	2	0	0—2
Washington	1	1	0	1—3

First Period: W-Bondra 21. Second Period: W-Bondra 22 (Housley) (pp). 3, H-Rice 12 (Janssens, Hulse) (pp). 4, H-, Leschyshyn 3 (Primeau) (sh). Third Period: None. Overtime: 5, W-Konowalchuk 6 (Miller, Hunter) Shots on goal: H- 7-6-9-2—24. W- 6-6-9-4—25. Goalies: H-Muzzatti. W-Carey.

Montreal	2	1	2	5
Dallas	0	2	2	4

First Period: M-Damphousse 13 (Recchi, Popovic) (sh). 2, M-Murray 2 (Stevenson) Second Period: D-Lehtinen 7 (Ledyard, Gilchrist) 4, D-Sydor 3 (Harvey, Ledyard) 5, M-Recchi 17 (Damphousse, Rhet) Third Period: D-Nieuwendyk 10 (Langenbrunner, Gilchrist) 7, D-Nieuwendyk 11 (Reid, Marshall) 8, M-Savage 14 (Bordeleau, Richer) 9, M-, Brisebois 2 (Richer, Savage) 10, M-Stevenson 1 (Tucker) Shots on goal: M- 9-4-7—20. D- 8-14-14—36. Goalies: M-Thibault. D-Irbe, Turek.

SOCCER

ENGLISH PREMIER LEAGUE

Manchester United 0, Aston Villa 0

Standings: 1. Liverpool 42 points, 2. Arsenal 40, 3. Manchester United 38, 4. Newcastle 37, 5. Wimbledon 37, 6. Chelsea 35, 7. Aston Villa 35.

TENNIS

HOPMAN CUP
IN PERTH, AUSTRALIA

GROUP A

United States 2, Australia 1

Chanda Rubin, United States, def. Nicole Bradtke, Australia, 7-5, 6-0; Justin Gimelstob, United States, def. Mark Philippoussis, Australia, 7-6 (7-4), 4-6, 7-6 (7-5); Mark Philippoussis and Nicole Bradtke, Australia, def. Justin Gimelstob and Chanda Rubin 6-3, 7-5.

Croatia (1) 3, France (4) 0

Ivo Majoli, Croatia, def. Mary Pierce, France, 6-3, 6-4; Goran Ivanisevic, Croatia, def. Guy Forget, France, forfeit; Goran Ivanisevic and Ivo Majoli, Croatia, Croatia, def. Guy Forget and Mary Pierce, France, forfeit.

United States qualifies for Saturday final.

GROUP B

Romania 3, Germany 0

Irina Spirlea, Romania, def. Petra Begerow, Germany, 6-1, 6-3; Adrian Voinea, Romania, def. Bernd Karbacher, Germany, 2-6, 7-6 (7-4), 6-2; Adrian Voinea and Irina Spirlea, Romania, def. Bernd Karbacher and Petra Begerow, Germany, 6-1, 6-1.

CRICKET

INDIA TOUR
1ST DAY OF SECOND TEST
SOUTH AFRICA VS. INDIA
THURSDAY, IN CAPE TOWN

South Africa 1st innings: 280-4

Montreal Beats Dallas to Extend Road Streak

The Associated Press

The Montreal Canadiens are finding life on the road a lot more pleasant than the intense pressure they feel at home.

Montreal stretched its road unbeaten string to six games Wednesday with a 6-4 victory in Dallas. Patrice Brisebois snapped a 4-4 tie with 10:04 to play after teammate Brian Savage evened the score 2 minutes and 16 seconds earlier.

"Sometimes on the road we don't feel we need to put on a show like we do at home," said Canadiens center Sebastien Bordeleau, who assisted on Savage's goal to help the Canadiens to a 3-0-3 mark in their last six away games. "When we get on the road, we're more disciplined and play smarter. Tonight we just kept plugging away, and it paid off for us."

The Canadiens have lost their last four home games, much to the displeasure of their demanding fans.

Joe Nieuwendyk of Dallas scored two goals in a span of 1:45 early in the third period as the Stars rallied for a 4-3 lead. Nieuwendyk notched his 10th of the season on a rebound, then added his 11th on a goalmouth scramble.

But the Canadiens answered with Savage's 14th goal of the season, and Brisebois scored his second to give Montreal a 5-4 advantage.

In games reported in some editions Thursday:

NHL ROUNDUP

Capitals 3, Whalers 2 Washington paid a hefty price for a much-needed victory.

The Capitals, coming off their worst month in more than 17 years, started January by beating Hartford on Wednesday. The victory was tempered by an injury to Joe Juneau, who will miss 10 days to two weeks after taking a vicious slash from Keith Primeau.

After Juneau took down Primeau with a check behind the net midway through the third period, Primeau drove his stick into Juneau's shoulder blade. The Capitals center immediately dropped to the ice and remained there for several minutes before being helped off.

The injury was diagnosed as a severe hematoma of the left shoulder.

Primeau received a major penalty and was ejected from the game. The Capitals failed to score during the resulting five-minute power play.

"I got hauled down. I instinctively swung my stick and unfortunately I caught him on the shoulder," Primeau said. "The referee saw it as a real bad play."

Juneau ranks second on the Capitals with 26 points and leads the team with six power-play goals.

Steve Konowalchuk scored with 1:59 left in overtime as the Capitals, who won just twice in 11 games in December, dealt the Whalers their fifth straight road loss and first defeat in nine overtime games this season.

Konowalchuk was attempting a centering pass to Dale Hunter from behind the net, but the puck bounced off the pads of prone goaltender Jason Muzzatti and into the net.

Down 2-0, the Whalers used a power-play goal by Steven Rice and a short-handed score by Curtis Leschyshyn to pull even late in the second period.

Senators 3, Bruins 2 Ottawa beat the visiting Bruins for the first time since rejoining the NHL in 1992, a span of 22 games. Alexandre Daigle's goal late in the second period broke a 2-2 tie. Boston played without starting goaltender Bill Ranford, one of eight Bruins who sat out the game with various injuries.

Mighty Ducks 3, Panthers 0 Guy Hebert stopped 28 shots for his 13th career shutout and fourth this season as Anaheim gained its first victory over Florida. Dmitri Mironov scored a goal and assisted on another, and Paul Kariya had two assists for the visiting Mighty Ducks.

SPORTS

Indurain Retires From Pro Racing

Spanish Cyclist Gives Up Chance to Win a 6th Tour

By Samuel Abt
International Herald Tribune

PARIS — Ending three months of speculation, Miguel Indurain announced Thursday that he was retiring from professional bicycle racing at age 32 and after five victories in the Tour de France, the world's greatest bicycle race.

"The decision has been tremendously difficult for me because physically I am in good shape and I think I might still be fit enough to win the much-desired sixth Tour," he said in Pamplona as he read his farewell statement live on Spanish radio.

Since the Tour started in 1903, no rider has won it six times and only four men — Indurain, Eddy Merckx, Jacques Anquetil and Bernard Hinault — have won it five times.

After his five consecutive victories from 1991 through 1995, Indurain finished 11th last year, more than 14 minutes behind the winner, Bjarne Riis, a Dane.

"I tried to win the Tour with all my strength and I did not succeed," Indurain continued, according to news agencies. "But I won the gold medal in Atlanta" in the Olympic time trial. "It seemed the perfect close to my sporting career.

"I am now going to concentrate on other things," the Spaniard said. "I feel I have concentrated enough of my time on professional cycling and now I want to enjoy the sport as an amateur."

His announcement was no surprise since it was leaked earlier in the week to Marca, a Spanish newspaper that is close to the rider. Nevertheless, his retirement raised questions.

Since mid-October, when the season ended, Indurain has been negotiating with the ONCE team in Spain to become its leader this year. ONCE officials said publicly that he had been offered up to $9 million in annual salary if he would leave the Banesto team, also based in Spain.

Even when ONCE admitted last month that it was having trouble finding a co-sponsor to reach the $9 million figure, Indurain could have continued earning about half that.

Banesto wanted to keep him, and offered another year's contract at the roughly $4 million he earned in 1996. Among a handful of other offers, the most solid one was from the Polti team in Italy, which also offered many millions in a sport where few riders earn above $1 million a year.

If Indurain had been thinking all year of retiring, as he said Thursday on Spanish radio, why was he still negotiating with a new team in December?

And why, if he was going to retire, did he not announce this in October but instead wait until the new year, when his contract with Banesto legally ended?

Finally, what are these "other things" he plans to pursue now? Indurain is well known for having so few interests outside bicycle racing that, until a public relations man wised him up a few years ago, he routinely listed his hobby as sleeping.

He has no lavish tastes or lifestyle. Despite his wealth from his salary and such investments as a big sporting goods store in the Spanish Basque region, he, his wife, Marisa, and their infant son, Miguel, live in only moderate splendor in a ranch house near Pamplona and an apartment on the Costa del Sol.

They rarely travel elsewhere unless it is to the home of his parents in Villava, a town near Pamplona, where Indurain grew up as the son of farmers, sharing a bedroom with his brother Prudencio, who is also a racer.

As a youth, Indurain was a star in several sports, including soccer and 400-meter foot races, before he turned seriously to bicycle racing at the age of 16 in 1980. Four years later he signed professionally with the Reynolds team and began a long apprenticeship as a strong and willing support rider.

In 1985, in his first Tour de France, he pulled out of the three-week race during its fourth daily stage and in 1986 during the 12th stage. Thereafter he always finished, coming in 97th, 47th, 17th and 10th, in an upward curve from 1987 through 1990.

Starting in 1991, he used his extraordinary power in time trials, or individual races against the clock, to leave his rivals far behind. Despite his height — 1.88 meters (6 feet 2 inches) and weight — 80 kilograms (176 pounds) — he also was a strong climber.

Besides the five Tours, he won the Giro d'Italia, the world's second-toughest bicycle race, in 1992 and 1993, but never finished better than second in the Vuelta a Espana, the Tour of Spain.

His other notable accomplishments included the world time-trial championship in 1995 and the record for the hour's ride against the clock, which he held for two months in 1994 at 53.040 kilometers per hour. He ranked first among the world's 900 professional riders in 1992 and 1993.

To many people, however, Indurain was as celebrated for a second place as for any of his Tour successes. The one victory he yearned for was in the world road race championship and, in Colombia in 1995, he seemed to be ready to claim it.

Near the end of the long race in exhaustingly thin air, Indurain attacked from the small group of leaders and left behind all but two riders, Dmitri Konichev, a Russian, and Abraham Olano, a teammate on the Spanish national squad. Just as Indurain was preparing to attack again, Olano did it first.

Rather than pace Konichev up to his teammate, Indurain refused to respond to the attack by Olano, but watched him speed off to victory. Indurain finished second, as close as he ever came in the world championships, and said that it had never entered his head to counterattack and perhaps endanger his country's chance for victory.

"Never has Spain had such a great champion," the director of Indurain's Banesto team, Jose Miguel Echavarri, said Thursday after the retirement announcement. "All of Spain is saddened."

The Associated Press
Indurain waving to the crowd in Paris after winning his fifth Tour de France in 1995.

Soccer Needs Hiroshima As a World Cup Symbol

Special to the Herald Tribune

Vantage Point / ROB HUGHES

A letter to Joao Havelange, president of FIFA, and Henry Kissinger, retired diplomat.

AS ELDER statesmen you are uniquely placed to appreciate the influence soccer has where sport, commerce and politics overlap.

I urge you to use your persuasion to prevail upon Japan to restore Hiroshima as a host city for the 2002 World Cup.

Many of us who support the shared World Cup in Asia foresaw, as part of that vision, games in Hiroshima, where the first atomic bomb was dropped and where citizens covet peace and friendship through sports.

Alas, on Christmas Day in Tokyo, Hiroshima was erased from Japan's list of 10 venues for the tournament to be co-hosted with South Korea.

A candle of hope snuffed out. An opportunity lost to present the game played by all peoples as a symbol of unity rebuilt out of man's ultimate inhumanity.

Hiroshima, I believed, was the biggest reason to attempt the delicate mission of bringing Japan and Korea together as hosts, joining hands in the cause of sport.

Hiroshima has, in recent years, staged soccer's Asian Cup and the multi-sport Asian Games. One cannot go there without shame, or without marveling at the commitment to peace and regeneration.

I believe both of you have seen the modern sporting complex at Hiroshima Regional Park. Surely you, Mr. Diplomat who won a Nobel Peace Prize, and you, Mr. FIFA President, who would like such an honor, see the symbolism, the opportunity, in Hiroshima.

The park's centerpiece is Big Arch stadium, with its sweeping, leaf-shape roof signifying "a prayer for peace and a bridge toward the future." Ironically, that roof — or rather the lack of another covering the other side of the stadium — is the stated reason why Hiroshima will miss out on 2002. "It was a painful decision," said Ken Naganuma, Japan's soccer association president.

The pain for Naganuma, after seven years' building up his country's candidacy, is in whittling down the 15 proposed sites to 10 because the cup is shared. The pain for Hiroshima is in the pocket.

"We did our best," said Mayor Takeshi Hiraoka. "We deeply regret the result, but we are not in a financial position where we can spend a huge amount of money to build a roof."

The shortfall is 15 billion yen ($131 million). FIFA stipulates that World Cup stadiums must cover two-thirds of the crowd in an arena such as Big Arch, which seats 41,806.

There are two ways to rekindle Hiroshima's desire. You, President Havelange, could propose to FIFA's nations a special dispensation for Hiroshima.

What is a little rain compared to radiation that descended at 8.15 A.M. on Aug. 6, 1945, killing 145,000?

May I remind you, Dr. Havelange, that your endorsement of Japan's bid for the World Cup stated: "They heeded my petition to consider Hiroshima as a subvenue for 2002."

It was a good petition. Don't let it lapse now.

In the same speech, you said soccer generates $225 billion annually. You are proud that nations that once paid their own way to World Cups will earn $1 million for every game they play at the 1998 finals in France.

Your business is awash with money. So if you will not waive the roofing stricture, maybe FIFA could raise funds to put Hiroshima back on the agenda? Or, imagine what a gesture it would be if Henry Kissinger, one of the architects of the U.S. bid for the 1994 World Cup, could persuade his friends in America to lead a financial appeal for the benefit of Hiroshima.

There will be those who say Japan is rich enough to help itself, that a cartel of Japanese industries could easily raise the roof over Big Arch. Moreover, soccer in Japan is a cash register. The 9 billion yen that Hiroshima always knew would be required to cover the rest of its stadium is a pittance compared to the 50 billion yen that the J-League reaped from its inaugural two seasons, 1993-95; and minuscule against the 230 billion yen from licensed J-League products.

PERHAPS finance is not the sole root of the Hiroshima problem. The emerging city of Yokohama is building a $600 million stadium for the World Cup, one reason why Tokyo, 16 minutes from Yokohama by bullet train, never asked to be a host city.

Where should the Japanese cut a venue to restore Hiroshima? I would suggest either Saitama or Ibaraki, which like Yokohama are a short bullet-train ride from Tokyo. It will hurt local aspiration, but not nearly so much as the loss of Hiroshima, whose name unquestionably swayed the votes of FIFA members.

Across the water, there is still hope of the two Koreas becoming one, and of the North becoming as much a part of the symbolic message as Hiroshima should be.

I note, Dr. Havelange, that you gave a New Year address in which you said: "Only football has the power to solve the problems of international conflicts. In Asia and in the East, we have had football matches between countries in conflict."

With your help, football could also help everyone of us to look forward to Hiroshima, rather than backward to its past. I wish you and Dr. Kissinger a profound and productive New Year.

Rob Hughes is on the staff of The Times of London.

Teenager Wins For United States

The Associated Press

PERTH, Australia — Justin Gimelstob scored the biggest victory of his brief tennis career Thursday, defeating Mark Philippoussis of Australia to lead the United States team into the final of the Hopman Cup mixed teams championship.

Gimelstob, a 19-year-old UCLA student called up as a late replacement, defeated Philippoussis 7-6 (7-4), 4-6, 7-6 (7-5), giving the Americans an unbeatable 2-0 lead. Earlier, Chanda Rubin beat Nicole Bradtke 7-5, 6-0 in women's singles.

The Australians won the meaningless mixed doubles match 6-3, 7-5.

The United States finished on top of Group A in the round-robin competition, and will face either South Africa, Romania or Switzerland in Saturday's final.

Defending champion Croatia beat France 3-0 in the other Group A match.

Iva Majoli downed Mary Pierce 6-3, 6-4 in women's singles, and the Croatians gained walkovers in the other two matches after Guy Forget declared himself unfit with blisters on his left hand.

Earlier, Romania defeated two-time champion Germany 3-0 in a Group B match, keeping alive its hopes of advancing to the final.

• In Adelaide, Australia, Slovakia's Karol Kucera upset second-seeded Mark Woodforde 6-3, 6-4, ending the Australian's hopes of winning the Australian Hardcourt championships a third time.

American qualifier Jeff Tarango also advanced to the quarterfinals, beating sixth-seeded David Prinosil of Germany, 6-2, 6-4. Tarango will face Sweden's Jonas Bjorkman, a 6-3, 6-4 winner over American Jonathan Stark.

Tony McDonough/Reuters
Mary Pierce reacting unhappily during her loss to Iva Majoli.

Marseille Allegedly Misspent $19 Million

Reuters

PARIS — Olympique Marseille, France's former European soccer champion, misspent 101 million francs ($19 million) on rigging matches and transfers under the presidency of Bernard Tapie, the French daily newspaper Le Monde reported Thursday.

The paper said the money was spent between 1987 and 1993 to fix matches by bribing players or referees and to lure star players to Marseille.

"The most illegal tricks were used in player transfers to make sure that the best would join" Olympique Marseille, said the newspaper, citing the final investigative report on the club's accounts by the examining magistrate, Pierre Philipon. Mr. Philipon's report has not been published. It was drawn up so that a court may decide whether the findings justify a trial.

Mr. Philipon could not be contacted on Thursday. Officials at the Marseille club declined to comment.

Le Monde, quoting the report, said Olympique had misused important sums in order to "reduce or even suppress the hazards which inevitably exist in a football match."

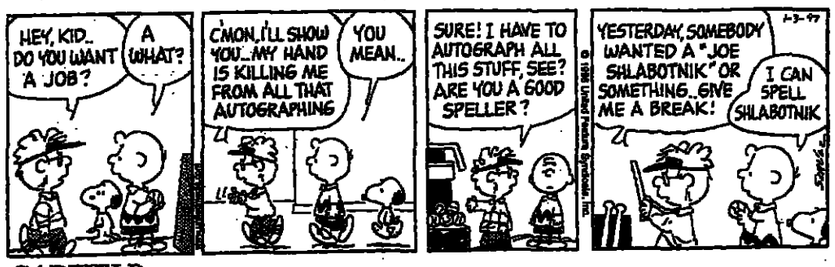
According to the newspaper, fictitious loans, false invoices and inflated payments to agents were among the means Marseille used during the Tapie years. Tapie has already been placed under investigation for fraud in the affair.

He is awaiting the result of an appeal against a two-year jail sentence handed to him in May for his part in a match-rigging case in 1993.

Under Tapie, Olympique Marseille won four French titles in succession and played two European Cup finals, winning one.

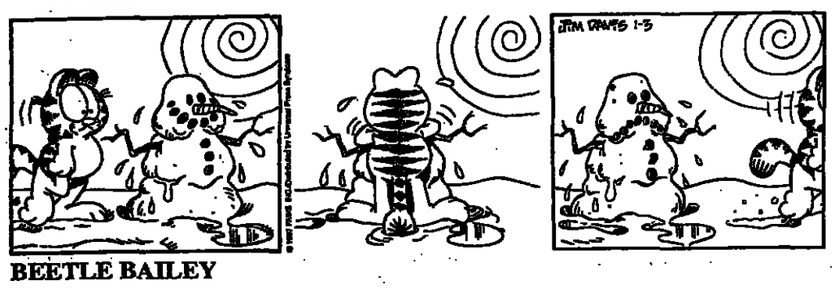
DENNIS THE MENACE

PEANUTS

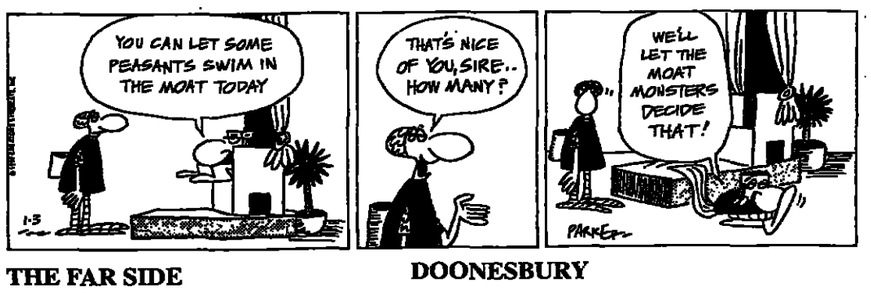


CALVIN AND HOBBES

GARFIELD

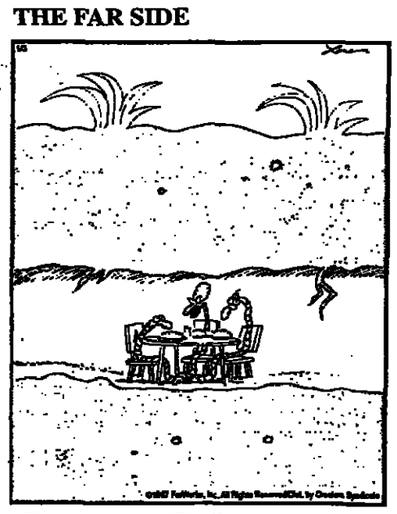


WIZARD of ID



BEETLE BAILEY

THE FAR SIDE



DOONESBURY

JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GOBUH
WILLT
VEENEL
NICKES

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: (Answers tomorrow)

Yesterday's Jumbles: STOOP HITCH CAUDLE BUCKLE
Answer: What it took for the shy guitarist to perform in person — LOTS OF PLUCK

GARFIELD

BEETLE BAILEY

BLONDIE

Education Directory
Appears every Tuesday.
To advertise contact
Christelle Forestier
Tel.: + 33 1 41 43 94 76
Fax: + 33 1 41 43 93 70
or your nearest IHT office or representative.

POSTCARD

The Gifts of Meiji

By Velisarios Kattoulas
International Herald Tribune

TOKYO — Nearly four million people will visit Meiji Shrine this week, a shrine dedicated to the spirits of one of the founding fathers of modern Japan. They are making the pilgrimage to pray for peace and prosperity in 1997, after a year marred by more political scandals and continuing fears of unemployment.

To prepare for the mass pilgrimage, police with metal detectors and sniffer dogs ducked in and out of bushes, groundskeepers raked and watered gravel paths to keep the dust down and priests adjusted traditional, knotted New Year's decorations and hovered over the 1-meter-by-10- meter collection box that visitors each year fill with notes and coins for the gods.

"The first day is always the toughest," said Masahiko Mouri, a priest at the shrine and 12-year veteran of the New Year's Day pilgrimages. "That's because with around two million visitors it's easy to slip and fall in the gravel. But there are rarely accidents because people don't come here to fool around. They come here to express their faith."

□

Meiji Shrine is dedicated to the spirits of the Emperor Meiji (1852-1912) and his consort, Empress Shoken (1850-1914), in recognition of their role in Japan's modernization. Mutsuhito, as Emperor Meiji was known before his death, became emperor at age 14, when Japan was a feudal society and during his reign saw it gain a constitution and a parliament, undergo an industrial revolution, form its first foreign alliance as an equal (with Britain), against all expectations defeat China in the Sino-Japanese War of 1894-95 and Russia in the Russo-Japanese War of 1904-05 and annex Korea in 1910. "Later generations of Japan will probably paint a halo around his image," Erwin von Balz, a German physician who knew him, wrote in his memoirs.

□

New Year's Day at Meiji Shrine, commissioned in 1913, was never as busy as it is today. After its completion in 1920, crowds were a fraction of the size of last year's New Year's Day crowd of 3.9 million because most people visited shrines close to their homes to say their first prayers of the year, known as *hatsumode*, to the Shinto gods that represent ancestors and natural spirits.

But the destruction of scores of shrines across Japan during the World War II and the postwar period of rapid economic development left Tokyo residents fewer options. Meiji Shrine was leveled in a 1945 air raid and was only rebuilt in 1958.

The growth of nearby shopping and entertainment districts have added an extra dimension to Meiji Shrine's popularity and helped cement its position as Japan's most visited shrine, ahead of Kawasaki Daishi to the west and Narita-san Shinshoji to the east of metropolitan Tokyo.

"There are definitely fewer temples in Tokyo than there used to be," said Takahiro Kosho, strolling through the grounds of Meiji Shrine with his wife and year-old son. "But I think the main reason there are always such huge crowds here on New Year's Day is that it now has a kind of festival atmosphere."

Russell Baker is on vacation.

The Jazzman Who Took On Bach and Vivaldi

By Mike Zwerin
International Herald Tribune

LE VAL, France — The rock aristocracy decentralized the recording process in the 1970s so they could lie back and swim, ride horses, and play tennis and pool between their trial-and-error takes.

Rented by the month instead of the hour, studios were built in the California desert, Colorado canyons, Welsh valleys and the Provencal sunbelt. Pink Floyd, AC/DC, Steve Winwood, Telephone, Sade and Wham, among others, recorded in the pianist and composer Jacques Loussier's Miraval Studio, northwest of Saint-Tropez.

A mansion on its own, the studio is one of the outbuildings on the grounds of an imposing 17th-century chateau surrounded by 300 hectares of rolling hills, vineyards and pine forests. Much of the hamlet-size compound Loussier fell in love with in 1968 was in ruins (the chateau was roofless). He rebuilt it.

Vineyards require constant attention, wine fabrication is a full-time job on its own, forests must be cared for. In the course of events, unoccupied rooms were turned into an auberge and a restaurant. Life was a succession of masons, plumbers, painters, deliverymen and swimming-pool guys. The studio's original 16-track analog console grew into 48 digital tracks with 56 inputs. Friends and friends of friends constantly driving in looking to party or asking to record their suddenly discovered vocal talent had to be discouraged.

It took him eight years to sell the property because he refused to sell to developers. Finally he found an overextended, overworked French property-owner's dream — a rich American. In the meantime, tending to possessions had burned him out to the point where he could no longer concentrate on his principal career — jazzing up Bach. That may sound a bit snide. It is, in fact, a literal not judgmental job description. But there was an incredible lightness of being about it all. Bach already swings. Loussier added unobtrusive bass and drums to fill in the harmonic and rhythmic implications in the original. People who did not particularly like either Baroque or jazz music liked Loussier's "Play Bach Jazz." The concept sold 6 million albums including 15 or 16 (he's lost count) sequels plus a "Best of" compilation.

His positive track record notwithstanding, there is every reason for a priori blood curdling when you are warned that the follow-up in the works is Vivaldi's "The Four Seasons." Relax. He's done it before, and it looks like he's pulled it off once more (the album will be released by Telarc in February).

Who is this alchemist who can turn what would seem to be inevitable dreck into a listening pleasure?

Born in 1934 in Angers, France, Loussier decided he wanted to be a musician at the age of 13. He was "instinctively attracted" to Bach. He played around with the themes, trying to "glimpse Bach through a jazz prism." Nobody suggested it, he did not listen to other such prisms, it was his own idea. After studying with Yves Nat at the Paris Conservatory, the idea fell into place when he heard the Modern Jazz Quartet. Their music seemed to him to be an obvious and well-constructed melange of Bach and bebop.

Loussier plays tribute to the MJQ tune "Django" in his Vivaldi adaptation. He heard the song as a "classical piece of music. In a way, John Lewis was trying to play classical piano. I've talked to him about it, he's recorded here. One part of him desperately wanted to become a classical pianist."

Loussier does not want to be a jazz musician, he did not listen to much jazz when he was young, he doesn't play clubs, he does not know many standards. He describes himself as playing "in the jazz idiom." His main concern is "to create another approach to the music of classical composers.

"I'm not a great improviser, I was very shy about it. Now, after more than 30 years experience, I am much more confident of my ability to create something that is my own, to play something new and different."

Christian Rose
Jacques Loussier: The road back to "The Four Seasons."

He projects the strength of an artist who has gone against the grain and despite self-doubt and criticism (and even derisive laughter) lived to thrive telling the tale. It's dangerous territory — there are some who would sentence a musician to hard labor for exploring, let alone exploiting, it. He's done what's never been done. Well, hardly ever. Try to think of another example. One thing sure — jazzing up the classics has never been solved with such a stylish signature.

The "Play Bach" trio was top-billed in Europe (it never really worked in the United States). Sometimes it was advertised as "Johann Sebastian Jacques," and that sort of cute take on his work began to get to him. Like a good actor playing the same role in a successful soap opera, he was a schooled musician who found an enriching though limiting career without having to pay a lot of dues. By 1978, feeling trapped by his own success, he retired to his southern paradise.

It is no coincidence that the Vivaldi project came to life after 1992, when he sold Miraval. (He rents back the studio building.) All along producers have proposed projects involving Mozart, Mahler, Rachmaninoff and worse. As far as they were concerned, it was a money-making formula; a cash cow. Joseph Conrad was supposed to have described a bedraggled hotel orchestra in a South Sea dive: "They were not making music. They were murdering silence." Loussier did not want to do that. He thought about that horrid drumbeat somebody once added to Mozart's 40th symphony.

Finally he chose "The Four Seasons" because he'd known and loved it since childhood and felt he was capable of tending to it with care. Tending to Bach had been more or less self-evident; there are new harmonies almost every beat. Vivaldi, on the other hand, can have 30 bars with only two. Adapting involved adding chords, reworking accompaniment and, with a great deal of trepidation, syncopating melodies.

In "Winter," he supplemented classic Vivaldi triads with major and minor seconds. "It's still winter," he says. "But I added icicles."

NEW YORK SCENE

Times Square, the New Public Art Gallery

By Michael Kimmelman
New York Times Service

NEW YORK — Say what you will about the transformation from porn parlors to Disney megastores, but whether Times Square has been cleaned up or sanitized, it has clearly been transformed by a spate of new billboard and light displays.

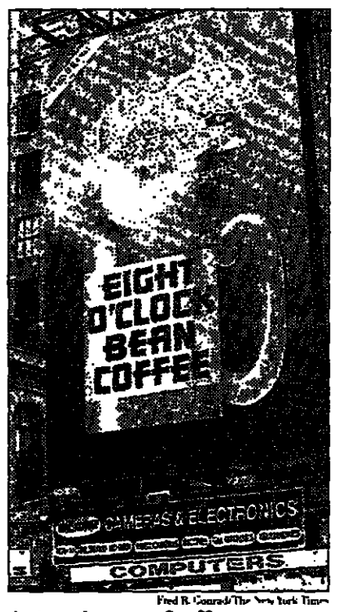
At the moment, the most mesmerizing public art in New York City is this collective and expanding jumble of flashing signs, capped by the new Panasonic video screen on One Times Square, the keystone building of the neighborhood.

Art is wherever you find it. The fruit and vegetable stand at Dean & DeLuca is sometimes the best thing on view in SoHo. In Times Square, the new three-tier electronic stock ticker-tape display around the front of 1585 Broadway, at 47th Street, is snappier than anything by Jenny Holzer, the art world darling, with her flashing signs of electronically ephemeral deep thoughts.

The tickers are cryptic if you're not fluent in the language of the stock exchange, yet eloquent visually: like skaters on ice, yellow letters and numbers glide across velvet-black backdrops, the tickers moving at different speeds so that they are slightly syncopated before zipping around the corner of the building and into it.

Usually we enshrine the visual art of everyday, or popular, culture only retrospectively. Ancient Athens must have been a gaudy city, to judge from Aristophanes, but its sculptures, like those along the streets of Pompeii or in vast public projects like the Baths of Caracalla in Rome, are classics to us now.

Aren't the present Calvin Klein and Liz Claiborne ads in Times Square giant photographic portraits, after all? Liz Claiborne's models are clean-cut and affectless figures, absently smiling, against plain backgrounds. Think vaguely of Alex Katz's portraits, but on the scale of eight-story buildings. The Calvin Klein ads along the construction barriers at 43d Street, where the company's famous sexpot billboards used to



Fred R. Conrad/The New York Times
A steaming cup of coffee.

be, convey a different image of American youth: grungier and intoxicated by adolescent ennui.

Sure, these aren't profound images and don't pretend to be, but they add to the mix of competing signs in the square, and it's the mix that counts.

The Surrealists invented a game called Exquisite Corpse, in which a work of art would be made by several artists, though none of the artists would know what the others were doing. Times Square is an Exquisite Corpse.

I asked Al Shapiro, vice president of marketing at Liz Claiborne Inc., about the placement of his company's billboards. Shapiro is the driving force behind them.

The billboards are atop, among other things, a sign for the American Liver Foundation, one of the square's most arresting images, with two giant yellow eyes, like a cat's, straddling the corner at 45th Street.

Next door is the Bertelsmann Building, its facade a clutter of jostling billboards for the Virgin store, Remy Martin liquor, LG electronics and the All Star Cafe.

The general effect is of an immense, incongruous collage, painted and electronic.

"That is the point of Times Square," Shapiro said. "Nobody knows what the other signs will be. It's the ultimate diversity, like New York."

And it has always been so. Native New Yorkers, born to complain, typically moon over the good old days. In the 1920s, Greenwich Villagers already moaned that their neighborhood was ruined by tourism.

Maybe nostalgists for the golden age of Broadway consider the present Times Square ersatz, like the 1940s-theme diner that has taken over one corner of 43d Street.

But it's worth considering that the success of the square, visually at least, has always depended on a mix of nostalgic fulfillment and technological invention. What makes the giant steaming mugs of the Nissin Cup Noodles sign and the Eight O'Clock Bean Coffee sign so endearing isn't simply their gimmick (half the time the mugs just sputter), but that the gimmick belongs to the tradition of smoking signs epitomized by the famous puffing Camel cigarette billboard, an icon of Times Square past.

Similarly, the Dow Jones tickers make the old news-flash along the outside of One Times Square look as quaint as a Victrola, which it is, but that's why we still love the old sign as much as the new ones.

The most memorable billboard is something else, memorable because it is unexpected: an advertisement for Microsoft Network that consists of a computer screen's hand-shaped point-and-click symbol against a vast blue backdrop.

What's unexpected isn't the message but the medium: the ad is painted, the old-fashioned way, on the side of a brick wall.

PEOPLE

AFTER 60 years, Superman has a new tailor. In the March issue of DC Comics, the superhero will shed his traditional red-and-yellow uniform — and even his cape — for streamlined, blue-and-white tights with jagged stripes resembling lightning bolts. "The costume is electrical looking," DC Comics executive editor, Mike Carlin, told the New York Post. "He still wears an 'S' on his chest, but it's not the one we're used to." Superman's powers also undergo a change. "Bullets don't bounce off him anymore. They go right through him," said Carlin.

□

Roger Moore, the now-bespectacled 69-year-old actor who played James Bond, has ended a year of bitter wrangling with his wife of 27 years by agreeing to pay a divorce settlement of £7.6 million (about $13 million). His 57-year-old wife, Luisa, with whom he had three children, had demanded twice that sum, or half of his £27.5 million fortune, after the British actor left her for 55-year-old **Christina Tholstrup**, the blonde Swedish-born widow of a Danish industrialist. The Daily Mail reported that Moore had agreed to up his initial offer to Luisa by £3 million. She had threatened to take the case to California's divorce court, which would have given her half of Moore's estate.

□

So much to the torn lingerie: **Courtney Love** has graduated to Versace for her latest magazine spread. "I've learned only recently how to do clothes," the punk rocker told Vogue for its January issue. "When I had no money, I did thrift shop, and I always knew exactly what to buy. Then I got money, and I stopped doing thrift shop and started doing mall. . . . It took me time to learn to shop with money." Love, the lead singer of Hole and the widow of Nirvana's **Kurt Cobain**, plays a stripper in the film "The People vs. Larry Flynt."

□

Memoirs by **Danielle Mitterrand**, the widow of the former French president, and the former sex-kitten turned animal-rights campaigner **Brigitte Bardot** topped France's reading list last year, according to a report Thursday. At slightly over 500,000 copies Bardot's controversial "Initiales B.B" just beat Mitterrand's memoirs "En Toutes Libertes," which sold 490,000 copies.

□

The Gambler is taking a chance on marriage, again. **Kenny Rogers** proposed to his girlfriend before giving a New Year's Eve performance in Las Vegas, his publicist said. Rogers, 58, announced the engagement during a performance at the Aladdin Hotel. He proposed to **Wanda Miller**, 30, during dinner and then sang "As God Is My Witness," a song he co-wrote, to her during his performance. The couple, who live on Rogers' farm in Athens, Georgia, haven't set a wedding date. It will be Rogers' fifth marriage and Miller's second. Rogers, known for his hit "The Gambler," and Miller have been dating for more than three years.

Shimon Takahashi/Reuters
HAPPY NEW YEAR — Emperor Akihito and Empress Michiko on Thursday, as 60,000 Japanese visited the palace in Tokyo to wish the couple a happy new year.

□

Tom Brokaw, the NBC anchorman, enjoys pumping iron hours before most people have poured their first cup of coffee. He likes to get up at 3 A.M. and go to the gym in his Park Avenue apartment. "I wander around, pump a little iron, make notes, think about things," he said in New York magazine. After his light workout — "I don't want you to think I do a full Schwarzenegger" — Brokaw goes back to sleep until 6:30 A.M., then heads to work. "I'm either on the train or I walk or I take a taxi, depending on my needs. I take the subway a lot."

□

Don't tell **James Garner** he's getting too old to play sexy, leading man roles. At 68, Garner still has his rugged good looks and rakish charm, and his wry sense of humor hasn't softened in the least. Garner's latest movie part, as philandering ex-president Matthew Douglas in "My Fellow Americans," fits his image. "I like the fact he is a womanizer, and protocol is not his thing. That's the way I am." Garner says about the Douglas character. "I'm not a womanizer, but I don't like protocol." Garner, who made his reputation with the TV series "Maverick" in the late 1950s, is able to control his enthusiasm for the current crop of movie stars. Saying they achieve their celebrity too easily, without sweat and hard work, he observes: "They have no strength of character."

Every country has its own AT&T Access Number which makes calling from France and other countries really easy. Just dial the AT&T Access Number for the country you're calling from and you'll get the fastest, clearest connections. And be sure to charge your calls on your AT&T Calling Card. It'll help you avoid outrageous phone charges on your hotel bill and save you up to 60%*. So please check the list for AT&T Access Numbers.

Steps to follow when calling internationally from overseas:

1. Just dial the AT&T Access Number for the country you are calling from.
2. Dial the phone number you're calling.
3. Dial the calling card number listed above your name.

AT&T Access Numbers

EUROPE	
Austria●○	022-903-011
Belgium●	0-800-100-10
France	0-800-99-0011
Germany	0130-0010
Greece●	00-800-1311
Ireland	1-800-550-000
Italy●	172-1011
Netherlands●	06-022-9111
Russia●▲(Moscow)▷	755-5042
Spain◇	900-99-00-11
Sweden	020-795-611
Switzerland●	0800-89-0011
United Kingdom▲	0800-89-0011
MIDDLE EAST	
Egypt●(Cairo)▼	510-0200
Israel	177-100-2727
Saudi Arabia◇	1-800-10
AFRICA	
Ghana	0191
Kenya▲	0-800-10
South Africa	0-800-99-0123

Can't find the Access Number for the country you're calling from? Just ask any operator for AT&T Direct® Service, or visit our Web site at: http://www.att.com/traveler

AT&T

To get a free wallet card listing more of the worldwide AT&T Access Numbers, ask for customer service after dialing the AT&T Access Number. Fastest, clearest connections from countries with voice prompts compared to recent U.S. carriers on calls to the U.S. Clearest based on customer preference testing. * Compared to certain public telephone charges based on calls to the U.S. in October 1996. Actual savings may be higher or lower depending upon your billing method, time of day, length of call, type of service and the country from which you are calling. Bold-faced countries permit country-to-country calling outside the U.S. Collect calling is available to the U.S. only. Country-to-country rates consist of the cost of a call to the U.S. plus an additional charge based on the country you are calling. You can call the U.S. from all countries listed above. ● Public phones require deposit of coin or phone card for dial tone. ▲May not be available from every phone. ○ Most phones require local coin payment during the call. ◆May not be available from every phone. ▷ Additional charges apply outside Moscow. ▼Calling available to the capital city only. ◇ Available from outside Cairo. © 1996 Disney & PIXAR (ASAP) ©1996 AT&T